

## **Historic, Archive Document**

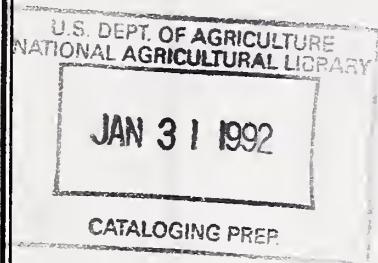
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# 1990 Farm Bill

Side-By-Side  
Comparison  
of  
Administration's "Green Book"  
Proposals  
and  
House (H.R.3950)  
Senate (S.2830)  
Farm Bills

July 1990





**PART I: COMMODITY PROGRAM PROVISIONS**

967526



**U.S. Department of Agriculture  
Agricultural Stabilization and Conservation Service**

**July 12, 1990**



## **NOTICE**

This document represents the current status of the 1990 Farm Bill as approved by the House and Senate Agriculture Committees, compared with the Administration's "Green Book" proposal. Since farm bill deliberation is a very dynamic process, the reader should exercise caution. Specific provisions are subject to change as both House and Senate proposals move through floor debate and conference. This document will be updated as significant events occur.



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## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | House  | Senate  | Comments  |
|--|---|--|---|---|
| <b>PLANTING FLEXIBILITY</b>  |   |  |   |   |
| 1) How much "permitted" acreage can be flexed?                             | 100 percent of program crop bases plus oilseed plantings  | 25 percent of program crop bases plus oilseed plantings  | 25 percent of program crop bases  | Flexible acreage is greatest under <u>Administration</u> and smallest under <u>Senate</u>   |
| 2) What crops can be flexed?   | Program crops; conserving crops; oilseeds and certain nonprogram crops  | Program crops; oilseeds; sweet sorghum, guar, etc.; experimental and crops with no domestic production | Any crop  | Any crop can be grown on flexible acreage under <u>Senate</u> ; <u>Administration</u> and <u>House</u> exclude most nonprogram crops  |
| 3) What restrictions apply to flexed acreage, other than crop eligibility? | None  | Program crops may not be grown on oilseed crop acreage   | No more than 25 percent of each individual program crop base can be flexed and program crops may not be grown on oilseed crop acreage | <u>Administration</u> has no other restrictions. <u>House</u> and <u>Senate</u> do not permit oilseed acreage to be reduced because of flexibility. <u>Senate</u> limits acreage shift to each individual program crop while under <u>Administration</u> and <u>House</u> , shifts are not limited to individual program crops. |
| 4) Are deficiency payments reduced?  | No, if program crops and oilseeds are planted. Yes, if certain nonprogram crops are harvested, on an acre-for-acre basis. | Yes, on an acre-for-acre basis.  | Yes, on an acre-for-acre basis.   | Flexible acreage would compete based on market prices under <u>Administration</u> and market price versus target price under <u>House</u> and <u>Senate</u> .   |
| 5) Are price support loans available on flexed acreage?                    | Yes   | Yes  | Yes   | Any price support crop grown on a participating farm is eligible for price support.   |
| 6) Are bases changed as a result of flexibility?                           | No  | No   | No  | The flexible acreage is considered planted to the original program crop.  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>House</b>  | <b>Senate</b>  | <b>Comments</b>                   |
|---|---|---|--|-----------------------------------|
| 7) May program crops be harvested on set-aside acres? | Yes, the original program crop (but not other program crops or oilseeds) <u>with loss in deficiency payments</u> on an acre-for-acre basis. | <p>Yes, <u>for wheat and feed grains (including oats)</u> the program crop may be grown on ACR <u>with an acre-for-acre loss in deficiency payments</u>. If domestic production of oats will not meet domestic demand, <u>oats may be planted on set-aside with no loss</u> in program crop deficiency payments. At the discretion of the Secretary, producers may receive deficiency payments and other program benefits on the oats.</p> <p>At Secretary's discretion, producers who only plant an acceptable variety of malting barley may be exempt from acreage limitation requirements as a condition for loans, purchases, and payments.</p> | <p>Yes, under the following condition:</p> <p><u>Target Option Payments:</u> Producers may, at their option, <u>decrease their ARP</u>, but not by more than one-half of the announced ARP. The Secretary must <u>decrease the target price</u>, by not less than 0.5% nor more than 1.0% for each 1-percentage point decrease in the ARP.</p> | <u>House</u> is most restrictive. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>House</b>   | <b>Senate</b>  | <b>Comments</b>  |
|---|---|--|--|--|
| 8) May other crops be harvested on set-aside acres? | Yes, conserving crops and industrial crops (but not other program crops or oilseeds) <u>with loss in deficiency payments</u> on an acre-for-acre basis. | Yes, at the discretion of the Secretary, sweet sorghum, guar, etc., and crops with no domestic production. Secretary has discretion to allow no loss of deficiency payments. | <u>Planting Oilseeds or Other Crops on Reduced Acres:</u> Wheat, feedgrain, cotton and rice producers may elect to plant an oilseed or other such crop considered necessary by the Secretary on no more than one-half of the reduced acreage on the farm, <u>with loss in deficiency payments</u> as determined by the Secretary.<br><br><u>Planting Experimental or Industrial Crops, or harvesting conserving crops on Reduced Acreage:</u> Wheat, feedgrain, cotton and rice producers may elect to devote all their reduced acreage to a conserving, experimental, or industrial nonprogram crop, (if such crops are approved by the Secretary) <u>with loss in deficiency payments</u> on an acre-for-acre basis. | <u>Senate</u> allows oilseeds on one-half of reduced acreage, or experimental, etc. on all reduced acreage, with loss of deficiency payments. <u>House</u> continues current ACR language. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | Administration   | House  | Senate  | Comments                   |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
|---|--|--|---|----------------------------|---------|-------|--|------|----|----|---------|----|----|-------------|--|--|------|---|----|---------|----|----|------------|----|----|------|---|-----|---|
| 9) Can a producer idle a portion of program crop permitted acreage and still receive deficiency payments? | <p>Yes, 0/92 provision if permitted acreage is <u>not</u> devoted to conserving uses, or 0/100 provision if permitted <u>is</u> devoted to conserving crops.</p> | <p>Yes, 0/92 for wheat and feed grains. Under the <u>Target Option Program</u> producers may also, at their option, devote up to 10% of base to conserving uses and be eligible for up to a 1-percent increase in target price for each 1-percent increase in conserving use acres, but payments shall not exceed 92% of regular deficiency payments.</p> <p>Cotton and rice have a mandated 50/92 and discretionary 0/92. Mandates 0/92 when prevented planting occurs.</p> | <p>Yes, 0/92 provision for wheat and feed grains and 50/92 for cotton and rice, with harvesting of sweet sorghum, guar, etc., experimental crops or crops with no domestic production at discretion of Secretary. Minor oilseeds (excludes soybeans) may be harvested on 0-50/92 acreage, at option of producer. If minor oilseeds are harvested, producer must elect 0-50/92 payments or oilseed loans; or</p> <p><u>Targeted Option Payments:</u><br/>Producers, at their option, may <u>increase the ARP</u> but not by more than the following percentage points above the ARP announced by the Secretary or the following maximum ARPs. The Secretary must <u>increase the target price</u> by not less than 0.5 percent nor more than 1.0 percent for each 1-percentage point increase in the ARP.</p> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">% point increase above ARP</th> <th style="text-align: left;">Max ARP</th> </tr> </thead> <tbody> <tr> <td>Wheat</td> <td></td> </tr> <tr> <td>1991</td> <td>10</td> <td>25</td> </tr> <tr> <td>1992-95</td> <td>15</td> <td>25</td> </tr> <tr> <td>Feed Grains</td> <td></td> <td></td> </tr> <tr> <td>1991</td> <td>5</td> <td>20</td> </tr> <tr> <td>1992-95</td> <td>10</td> <td>20</td> </tr> <tr> <td>Upland Ctn</td> <td>10</td> <td>25</td> </tr> <tr> <td>Rice</td> <td>5</td> <td>N/A</td> </tr> </tbody> </table> | % point increase above ARP | Max ARP | Wheat |  | 1991 | 10 | 25 | 1992-95 | 15 | 25 | Feed Grains |  |  | 1991 | 5 | 20 | 1992-95 | 10 | 20 | Upland Ctn | 10 | 25 | Rice | 5 | N/A | <p><u>Senate</u> provision provides more flexibility; <u>House</u> is less flexible.</p> <p><u>House</u> and <u>Senate</u> mandate 0/92 for cotton and rice for prevented planting.</p> |
| % point increase above ARP  | Max ARP  |  |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| Wheat   |  |  |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| 1991  | 10   | 25   |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| 1992-95   | 15   | 25   |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| Feed Grains   |  |  |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| 1991  | 5  | 20   |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| 1992-95   | 10   | 20   |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| Upland Ctn  | 10   | 25   |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |
| Rice  | 5  | N/A  |   |                            |         |       |  |      |    |    |         |    |    |             |  |  |      |   |    |         |    |    |            |    |    |      |   |     |   |



## FARM-LEVEL EXAMPLES OF HOUSE AND SENATE FLEXIBILITY PROPOSALS

SAMPLE FARM:      100 acres wheat base  
                       100 acres corn base  
                       100 acres soybeans

PROGRAM:      5% Wheat ARP  
                       15% Corn ARP

### HOUSE

EXAMPLE H1: PRODUCER CONTINUES SAME AS  
                       UNDER CURRENT LAW

Wheat ACR

| Wheat ACR   |            |               |
|-------------|------------|---------------|
| Wheat acres | Corn ACR   | Soybean acres |
|             | Corn acres |               |

| Planted<br>Acres | Payment<br>Acres |
|------------------|------------------|
|------------------|------------------|

|     |     |    |
|-----|-----|----|
| SBN | 100 | -  |
| CRN | 85  | 85 |
| WHT | 95  | 95 |

### SENATE

EXAMPLE S1: PRODUCER CONTINUES SAME AS  
                       UNDER CURRENT LAW

Wheat ACR

| Wheat ACR   |            |               |
|-------------|------------|---------------|
| Wheat acres | Corn ACR   | Soybean acres |
|             | Corn acres |               |

| Planted<br>Acres | Payment<br>Acres |
|------------------|------------------|
|------------------|------------------|

|     |     |    |
|-----|-----|----|
| SBN | 100 | -  |
| CRN | 85  | 85 |
| WHT | 95  | 95 |



EXAMPLE H2: MAXIMUM SOYBEAN ACREAGE

## Wheat ACR

| Soybean ac  |            | Corn ACR   | Soybean acres |
|-------------|------------|------------|---------------|
|             |            | Soybean ac |               |
| Wheat acres | Corn acres |            |               |
|             |            |            |               |

|  | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

|     |     |    |
|-----|-----|----|
| SBN | 175 | -  |
| CRN | 45  | 45 |
| WHT | 60  | 60 |

EXAMPLE S2: MAXIMUM SOYBEAN ACREAGE

## Wheat ACR

| Soybean ac  |            | Corn ACR   | Soybean acres |
|-------------|------------|------------|---------------|
|             |            | Soybean ac |               |
| Wheat acres | Corn acres |            |               |
|             |            |            |               |

|  | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

|     |     |    |
|-----|-----|----|
| SBN | 150 | -  |
| CRN | 60  | 60 |
| WHT | 70  | 70 |

EXAMPLE H3: ALTERNATIVE MAXIMUM SOYBEAN ACREAGE

## Wheat ACR

| Soybean acres |            | Corn ACR   | Soybean acres |
|---------------|------------|------------|---------------|
|               |            | Corn acres |               |
| Wheat acres   | Corn acres |            |               |
|               |            |            |               |

|  | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

|     |     |    |
|-----|-----|----|
| SBN | 175 | -  |
| CRN | 85  | 85 |
| WHT | 20  | 20 |

EXAMPLE S3: ALTERNATIVE MAXIMUM SOYBEAN ACREAGE

Senate flexibility option limits flexible acres to 25% of individual program crop bases. Hence, soybeans (or other crops) planted on flexible acres must be allocated across all eligible program crop bases as in example S2.



EXAMPLE H4: MAXIMUM ALTERNATIVE PROGRAM CROP ACREAGE

Wheat ACR

|              |            |               |
|--------------|------------|---------------|
| Cotton acres | Corn ACR   | Soybean acres |
|              | Corn acres |               |
| Wheat acres  |            |               |

|     | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|-----|-------------------------|-------------------------|
| SBN | 100                     | -                       |
| CRN | 85                      | 85                      |
| WHT | 20                      | 20                      |
| CTN | 75                      | -                       |

EXAMPLE S4: MAXIMUM ALTERNATIVE PROGRAM CROP ACREAGE

Wheat ACR

|             |            |               |
|-------------|------------|---------------|
| Cotton ac   | Corn ACR   | Soybean acres |
|             | Cotton ac  |               |
| Wheat acres | Corn acres |               |

|     | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|-----|-------------------------|-------------------------|
| SBN | 100                     | -                       |
| CRN | 60                      | 60                      |
| WHT | 70                      | 70                      |
| CTN | 50                      | -                       |

EXAMPLE H5: MAXIMUM NONPROGRAM CROP ACREAGE

Wheat ACR

|             |            |               |
|-------------|------------|---------------|
| Guar ac     | Corn ACR   | Sesame ac     |
|             |            |               |
| Kenaf ac    |            |               |
|             |            |               |
| Wheat acres | Corn acres | Soybean acres |

|        | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|--------|-------------------------|-------------------------|
| SBN    | 75                      | -                       |
| CRN    | 60                      | 60                      |
| WHT    | 70                      | 70                      |
| NONPGM | 75                      | -                       |

EXAMPLE S5: MAXIMUM NONPROGRAM CROP ACREAGE

Wheat ACR

|             |            |               |
|-------------|------------|---------------|
| Watermelons | Corn ACR   | Soybean acres |
|             |            |               |
| Dry Beans   |            |               |
|             |            |               |
| Wheat acres | Corn acres |               |

|        | Planted<br><u>Acres</u> | Payment<br><u>Acres</u> |
|--------|-------------------------|-------------------------|
| SBN    | 100                     | -                       |
| CRN    | 60                      | 60                      |
| WHT    | 70                      | 70                      |
| NONPGM | 50                      | -                       |



## FARM-LEVEL EXAMPLES OF ADMINISTRATION FLEXIBILITY PROPOSAL

SAMPLE FARM:      100 acres wheat base  
                       100 acres corn base  
                       100 acres soybeans

PROGRAM:      5% Wheat ARP  
                       15% Corn ARP

EXAMPLE A1: PRODUCER CONTINUES SAME AS  
                       UNDER CURRENT LAW

Wheat ACR

| Wheat acres |  | Corn ACR   | Soybean acres |
|-------------|--|------------|---------------|
|             |  | Corn acres |               |

|     | <u>Planted Acres</u> | <u>Payment Acres</u> |
|-----|----------------------|----------------------|
| SBN | 100                  | -                    |
| CRN | 85                   | 85                   |
| WHT | 95                   | 95                   |

EXAMPLE A2: MAXIMUM FLEXIBILITY AMONG  
                       ELIGIBLE CROPS

Wheat ACR

|  |
|--|
| Corn ACR   |
| Wheat, Corn, Soybeans or any other NCA crop in any proportion. |

|     | <u>Planted Acres</u> | <u>Payment Acres</u> |
|-----|----------------------|----------------------|
| SBN |                      | -                    |
| CRN |                      | 85                   |
| WHT |                      | 95                   |



EXAMPLE A3: PRODUCER PLANTS PROGRAM CROPS ON ACR

Wheat acres

|             | Corn acres | Soybean acres |
|-------------|------------|---------------|
| Wheat acres | Corn acres | Soybean acres |

|     | Planted Acres | Payment Acres |
|-----|---------------|---------------|
| SBN | 100           | -             |
| CRN | 100           | 70            |
| WHT | 100           | 90            |

EXAMPLE A5: CONSERVING USE CROP PLANTED BUT NOT HARVESTED ON ENTIRE NCA ("0/100")

Wheat ACR

|                              | Corn ACR                     | Sweet Clover not for Harvest |
|------------------------------|------------------------------|------------------------------|
| Sweet Clover not for Harvest | Sweet Clover not for Harvest | Sweet Clover not for Harvest |

|     | Planted Acres | Payment Acres |
|-----|---------------|---------------|
| SBN | 0             | -             |
| CRN | 0             | .85           |
| WHT | 0             | 95            |

EXAMPLE A4: PRODUCER INCREASES SOYBEANS WHILE MAINTAINING CORN AND WHEAT

Wheat ACR

|             | Corn acres | Soybean acres |
|-------------|------------|---------------|
| Wheat acres | Corn acres | Soybean acres |
|             |            | Soybean ac    |

|     | Planted Acres | Payment Acres |
|-----|---------------|---------------|
| SBN | 115           | -             |
| CRN | 85            | 70            |
| WHT | 95            | 95            |

EXAMPLE A6: PRODUCER PLANTS EXPERIMENTAL CROP ON ACR

Kenaf acres

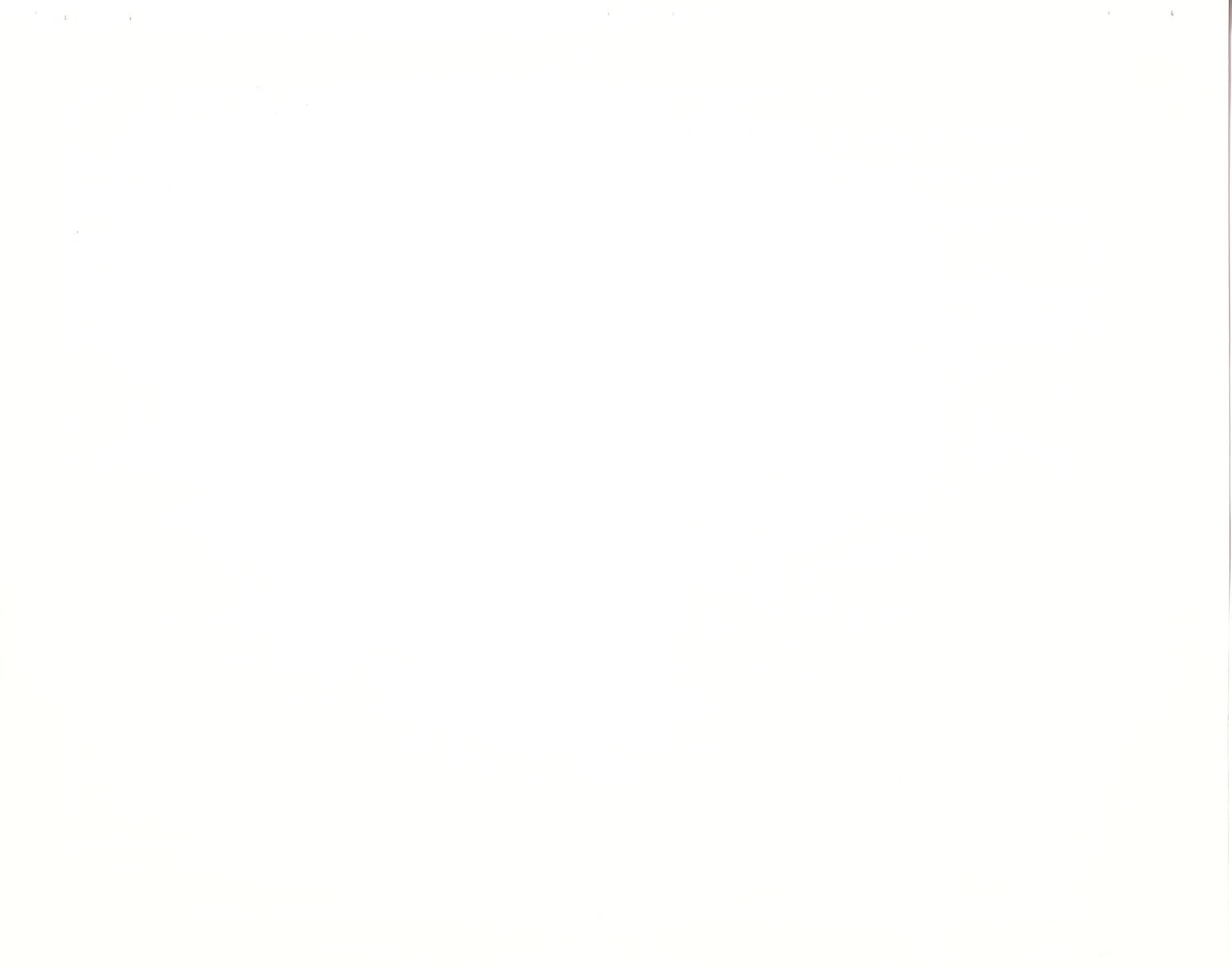
|             | Corn acres | Soybean acres |
|-------------|------------|---------------|
| Wheat acres | Corn acres | Soybean acres |

|     | Planted Acres | Payment Acres |
|-----|---------------|---------------|
| SBN | 100           | -             |
| CRN | 85            | 70            |
| WHT | 95            | 90            |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | House   | Senate   | Comments  |
|--|---|---|--|---|
| <b>ACREAGE REDUCTION PROGRAMS (ARP)</b>  |   |   |  |   |
| <b>Wheat ARPs determined as?</b>         | Based on stocks-to-use (S/U) ratio for <u>preceding</u> marketing year.<br><br>$\begin{array}{ll} \text{S/U} & \text{ARP} \\ >40 & 12.5 - 20.0 \\ \leq 40 & < 12.5 \end{array}$ | Based on S/U of <u>current</u> marketing year.<br><br>$\begin{array}{ll} \text{S/U} & \text{ARP} \\ >40 & 20.0 - 30.0 \\ \leq 40 & \leq 20.0 \end{array}$ | Based on S/U of <u>preceding</u> marketing year.<br><br>$\begin{array}{ll} \text{S/U} & \text{ARP} \\ >40 & 12.5 - 20.0 \\ \leq 40 & 0.0 - 12.5 \end{array}$ | <u>Administration</u> and <u>Senate</u> have the same ARPs. ARPs under <u>House</u> are larger. S/U under <u>Administration</u> and <u>Senate</u> are based on previous year, while <u>House</u> is based on current year estimate.<br><br><u>Senate</u> provides authority for a zero ARP. |
| <b>Feed Grain ARPs determined as?</b>    | Based on stocks-to-use (S/U) ratio for <u>preceding</u> marketing year.<br><br>$\begin{array}{ll} \text{S/U} & \text{ARP} \\ >25 & 12.5 - 20.0 \\ \leq 25 & < 12.5 \end{array}$ | Based on S/U of <u>preceding</u> marketing year.  | Based on S/U of <u>preceding</u> marketing year.   | All have the same ARPs and all are based on stocks/use ratio of preceding year.<br><br><u>Senate</u> provides authority for a zero ARP.   |
| <b>Oats ARPs determined as?</b>          | Same requirements as feed grains.   | Not to exceed 5% unless supplies deemed to be excessive.  | Same requirements as feed grains.  | Oats ARP can not exceed 5% in <u>House</u> ; <u>Senate</u> and <u>Administration</u> maximum is tied to feed grains ARP. <u>Senate</u> provides authority for a zero ARP.   |
| <b>Rice ARPs determined as?</b>          | Achieve 20% S/U to maximum extent practicable.  | Achieve S/U of 16.5% - 20.0% of the 3 preceding marketing years, not to exceed 35%. "Maximum extent practicable" language deleted.                        | Achieve S/U of 16.5 - 20% of the 3 preceding marketing years, not to exceed 35%. "Maximum extent practicable" language deleted.                              | Deletion of "maximum extent practicable" language in <u>House</u> and <u>Senate</u> could potentially be very costly. <u>Senate</u> provides authority for a zero ARP.  |
| <b>Upland Cotton ARPs determined as?</b> | Achieve 30% S/U to maximum extent practicable.  | Achieve 30% S/U, not to exceed 25% ARP.   | Higher of 4 million bale ending stocks or S/U of 33%, not to exceed 25% ARP.   | <u>Senate</u> has highest stock levels. <u>Senate</u> provides authority for a zero ARP.  |
| <b>ELS Cotton ARPs determined as?</b>    | Achieve 40% S/U to maximum extent practicable.  | Secretarial discretion to establish if total supply is excessive.   | Secretarial discretion to establish if total supply is excessive.  | <u>House</u> and <u>Senate</u> continue 1985 Act provisions.  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                    | Administration                           | House  | Senate   | Comments   |
|------------------------------------|--|--|--|--|
| <b>PAID LAND DIVERSION (PLD)</b>   |  |  |  |  |
| Is a paid land diversion required? | <u>All Commodities:</u><br>Discretionary | <u>Wheat, Feed Grains, Rice, ELS Cotton:</u><br>Discretionary.<br><br><u>Upland Cotton:</u> Must offer up to 15% PLD if projected carryover exceeds 8 million bales. | <u>Cotton:</u> If ARP alone can not achieve stocks target, implementation of PLD is mandatory.<br><br><u>Other Commodities:</u><br>Discretionary | <u>Senate</u> and <u>House</u> require mandatory upland cotton PLD when stocks are high; no requirements for PLD under <u>Administration</u> . |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration   | House  | Senate | Comments |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
|--|--|--|--------|----------|-----------|--|------------|------------|---------------|--|-----|-----|------|--|--------|----------|------|--|-----|-------|----|--|---|---|
|  | <b>LOAN RATES</b>  |  |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
| How are loan rates for wheat and feed grains determined? | <p><u>Wheat and Feed Grains:</u><br/>Basic loan set at 75-85% of 5-year moving average, dropping the high and low years, but decline limited to no more than 5%.<br/>Discretionary "Findley" adjustment at no more than 20%.</p> | <p><u>Wheat and Feed Grains:</u><br/>Basic loan set at 85% of 5-year moving average, dropping high and low, but decline limited to no more than 5%.<br/>"Findley" adjustment based on current year S/U, plus discretionary 5% adjustment.</p> <table style="margin-left: 40px;"> <tr> <td>Wheat</td> <td>Corn</td> <td>"Findley"</td> <td></td> </tr> <tr> <td><u>S/U</u></td> <td><u>S/U</u></td> <td><u>Adjust</u></td> <td></td> </tr> <tr> <td>&gt;30</td> <td>&gt;25</td> <td>-10%</td> <td></td> </tr> <tr> <td>&gt;15&lt;30</td> <td>&gt;12.5&lt;25</td> <td>- 5%</td> <td></td> </tr> <tr> <td>&lt;15</td> <td>&lt;12.5</td> <td>0%</td> <td></td> </tr> </table> <p><u>Wheat Loan Rate:</u> From June 1, 1991 to Sept. 30, 1991, the loan rate shall not be less than \$1.93. Beginning Oct. 1, 1991, producers will receive an increase in the loan rate to equal the above formula.</p> | Wheat  | Corn     | "Findley" |  | <u>S/U</u> | <u>S/U</u> | <u>Adjust</u> |  | >30 | >25 | -10% |  | >15<30 | >12.5<25 | - 5% |  | <15 | <12.5 | 0% |  | <p><u>Wheat and Feed Grains:</u><br/><u>Plan A:</u> Marketing loan for wheat and feed grains with loan level established at 75-85 percent of a 5-year moving average of market prices, dropping high and low. Loan rate can not be below \$1.96 for corn and \$2.44 for wheat (1990 basic loan rates), and no provision for Findley adjustment.</p> <p><u>Plan B:</u> Basic loan same as above formula, but with discretionary Findley adjustment at no more than 20%, with marketing loan required. The Secretary would be required to provide producers with an advance compensation equal to 75% of the Findley loan reduction amount, to be repaid within 270 days after the beginning of the marketing year.</p> | <u>Administration</u> continues current law. <u>Senate</u> has highest potential loan rates, and requires marketing loans. <u>House</u> limits Findley authority. |
| Wheat  | Corn   | "Findley"  |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
| <u>S/U</u>   | <u>S/U</u>   | <u>Adjust</u>  |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
| >30  | >25  | -10%   |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
| >15<30   | >12.5<25   | - 5%   |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |
| <15  | <12.5  | 0%   |        |          |           |  |            |            |               |  |     |     |      |  |        |          |      |  |     |       |    |  |   |   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | House   | Senate   | Comments  |
|--|---|---|--|---|
| How are loan rates for upland and ELS cotton determined? | <p><u>Upland Cotton:</u> Same formula as for wheat and feed grains, with no minimum.</p> <p><u>ELS Cotton:</u> Same formula as for wheat and feed grains.</p> | <p><u>Upland Cotton:</u> Lesser of 85% of 5-year moving average of market prices, dropping the high and low, or 90% of average of 15-week period of 5 lowest growths quoted for Northern Europe. The loan rate may not be reduced more than 5% in any year and may not be below 50 cents per pound.</p> <p><u>ELS Cotton:</u> 85% of 5-year moving average of market prices, dropping the high and low.</p> | <p><u>Upland Cotton:</u> Same as House.</p> <p><u>ELS Cotton:</u> Same as House.</p> | <p><u>Administration</u> removes minimum levels for loan rates. <u>House</u> and <u>Senate</u> have the potential for the largest loan rates.</p> |
| How are loan rates for rice determined?                  | Same formula as for wheat and feed grains, with no minimums.  | 85% of 5-year moving average of market prices, dropping high and low. The loan rate may not be reduced more than 5% in any year and may not be below \$6.50 per hundredweight.  | Same as House.   | <u>Administration</u> has lowest loan rates, without minimums, and makes all loan rate calculations consistent across crops.                      |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | House        | Senate                 | Comments |           |           |    |      |     |   |                     |                     |  |
|--|---|--------------|------------------------|----------|-----------|-----------|----|------|-----|---|---------------------|---------------------|--|
| <b>OILSEED MARKETING LOANS</b>             |   |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| Are marketing loans for oilseeds required? | <p>No marketing loan specified. Nonrecourse loan set at 75%-85% of 5-year average price, dropping high and low, with a \$4.50 minimum.</p> <p><u>Soybeans:</u> For 1991-92 crops, marketing loan set at \$5.25/bu. For 1993-95, set according to following S/U ratio, except 1993 rate cannot exceed \$5.40/bu.</p> <table style="margin-left: 20px;"> <tr> <th style="text-align: left;">S/U<br/>Ratio</th> <th style="text-align: left;">Mandated<br/>Adjustment</th> </tr> <tr> <td>&gt;25%</td> <td>0% to -5%</td> </tr> <tr> <td>&gt;20% &lt;25%</td> <td>0%</td> </tr> <tr> <td>&lt;20%</td> <td>+5%</td> </tr> </table> <p><u>Other Oilseeds:</u> For 1991-95 crops, based on market price relation to soybeans but not less than level established for soybeans on a per-pound basis. Includes sunflower, canola, rapeseed, safflower, flaxseed, mustard seed and others designated by Secretary.</p> | S/U<br>Ratio | Mandated<br>Adjustment | >25%     | 0% to -5% | >20% <25% | 0% | <20% | +5% | <p><u>Soybeans:</u> For 1991-95 crops, marketing loan set at \$5.50/bu. Secretary has authority to reduce level, depending on estimated stocks-to-use ratios.</p> <table style="margin-left: 20px;"> <tr> <td>\$5.25 if S/U &gt; 20%</td> </tr> <tr> <td>\$5.00 if S/U &gt; 25%</td> </tr> </table> <p><u>Other Oilseeds:</u> For 1991-95 crops, Secretary must establish marketing loans for sunflowerseed, canola, rapeseed, safflower and flaxseed at 9.7 cents/lb. and adjust accordingly if soybean loans are adjusted. Secretary may establish marketing loans for other oilseeds based on market price relation to soybeans.</p> | \$5.25 if S/U > 20% | \$5.00 if S/U > 25% | <p><u>House</u> and <u>Senate</u> would require a marketing loan for oilseeds, and would expand price support to oilseeds not currently eligible for loan. Marketing loans would be paid on full production. <u>House</u> would likely have lower marketing loan for 1991-93, and higher than <u>Senate</u> (by one cent) in 1994-95. <u>Senate</u> level would likely remain at \$5.50 for 1991-95.</p> |
| S/U<br>Ratio                               | Mandated<br>Adjustment  |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| >25%                                       | 0% to -5%   |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| >20% <25%                                  | 0%  |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| <20%                                       | +5%   |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| \$5.25 if S/U > 20%                        |   |              |                        |          |           |           |    |      |     |   |                     |                     |  |
| \$5.00 if S/U > 25%                        |   |              |                        |          |           |           |    |      |     |   |                     |                     |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | Administration  | House   | Senate   | Comments   |
|---|---|---|--|--|
| <b>UPLAND COTTON MARKETING LOANS</b>              |   |   |  |  |
| Is the marketing loan for upland cotton required? | Yes, with no change from current law.                 | Yes, but with the following changes:<br><br>o Includes a 3-step procedure to assure that U.S. cotton is competitive in world markets:<br><u>Step 1:</u> Codifies the Oct. 1989 USDA discretionary adjustment rule.<br><u>Step 2:</u> Requires that marketing certificates be issued to domestic users and exporters when the lowest price U.S. growth as quoted in Northern Europe exceeds the average of the 5 cheapest Northern Europe prices by more than 1.25 cents/lb. for four consecutive weeks.<br><u>Step 3:</u> Provides for a special import quota if the lowest price U.S. growth as quoted in Northern Europe exceeds the average of the 5 cheapest Northern Europe prices by more than 1.25 cents/lb. for 10 consecutive weeks. | Yes, but with the following changes:<br><br>o Same as House. |  |
| On what basis are loan deficiency payments made?  | No change from current law (based on program yields). | Loan deficiency payments to be made on the basis of actual production.  | Same as House.   | <u>House</u> and <u>Senate</u> remove the program yield limit on loan deficiency payments. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>                          | <b>House</b>  | <b>Senate</b>  | <b>Comments</b>   |
|---|--|---|--|---|
| Does USDA have authority to issue cotton-specific certificates? | Yes, no change in current law.                 | Eliminates authority to issue cotton-specific certificates.   | Same as House.   | Any certificate issued under the <u>House</u> and <u>Senate</u> would be generic.   |
| Are Plan A and Plan B continued?                                | Continues Plan A and Plan B as in current law. | Continues Plan A and Plan B as in current law.  | Eliminates Plan A and modifies Plan B by eliminating the 80% limit on the loan repayment rate.   | <u>Administration</u> and <u>House</u> continues current law. Under the <u>Senate</u> , Plan A is eliminated and Plan B is modified.  |
| <b>TARGET PRICES</b>  |  |   |  |   |
| How are target prices determined?                               | <u>All Commodities</u> : Not specified.        | <u>All Commodities</u> : Not less than 1990 level except ELS cotton, which is 120% of ELS loan rate. Target prices may be adjusted as follows:<br><br><u>Wheat</u> : For each 2.5-percentage-point increase in the wheat ARP level above 7.5% (10% for 1994 and 1995), the target price for the year shall be increased 2.55%.<br><br><u>Feed Grains</u> : For each 2.5-percentage-point increase in the corn ARP level above 15%, the target price for the year shall be increased by 2.55%. | <u>All Commodities</u> : Not less than 1990 level, except oats:<br>1991 - \$1.55<br>1992 - \$1.65<br>1993 - \$1.75<br>1994 - \$1.85<br>1995 - \$1.85 | All proposals would allow target prices to be frozen at the 1990 level except for oats ( <u>Senate</u> escalates out year targets). <u>House</u> would require increases in targets for wheat and feed grains if ARPs are increased above certain levels. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | Administration  | House  | Senate  | Comments   |
|---|---|--|---|--|
| <b>DEFICIENCY PAYMENT RATES</b>         |   |  |   |  |
| How are deficiency payments determined? | <p><u>Wheat and Feed Grains:</u> Difference between target and <u>5-month</u> price.</p> <p><u>Findley Payments:</u> Issue at fifth month based on forecast of 12-month price.</p> <p><u>Oats:</u> No change from current law.</p> <p><u>Barley:</u> No change from current law.</p> <p><u>Cotton and Rice:</u> No change from current law.</p> | <p><u>Wheat and Feed Grains:</u> Difference between target and <u>6-month</u> price.</p> <p><u>Findley Payments:</u> Issue at twelfth month.</p> <p><u>Oats:</u> Secretary has discretion to allow oat (and only oat) harvesting on all program crop ACR if domestic demand is projected to exceed domestic supply. Such oat production is eligible for oat deficiency payments.</p> <p><u>Barley:</u> Use <u>feed</u> barley rather than <u>all</u> barley market price to determine payment rate. Advance deficiency payments for 1991 crop of barley calculated on basis of <u>all</u> barley price.</p> <p><u>Cotton and Rice:</u> No change from current law.</p> | <p><u>Wheat and Feed Grains:</u> Difference between target and 5-month price.</p> <p><u>Findley Payments:</u> Issue at 5th month based on difference between basic loan and 5-month price.</p> <p><u>Barley:</u> If malting barley prices exceed feed barley prices by more than \$0.22, the excess will not be considered in establishing the barley deficiency payments.</p> <p><u>Cotton and Rice:</u> No change from current law.</p> | <p><u>House</u> decreases deficiency payment rate for wheat and feed grains by using 6-month price, and requires deficiency payments for oats planted on ACR, if authorized.</p> <p><u>House</u> increases deficiency payments for barley by using feed barley price only.</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration   | House   | Senate   | Comments  |
|--|--|---|--|---|
| What if actual deficiency payment rate is less than projected payment rate?                  | Nothing.   | Nothing.  | For every 10% decrease in final deficiency payment rate from projected rate, the Secretary will give 2 percentage points back to the producer. This would require the Secretary to pay producers 20% of the difference between the final deficiency payment rate and the projected deficiency payment rate.                                | <u>Senate</u> provision could be very costly.   |
| Is the deficiency payment rate under 0-50/92 guaranteed at not less than the projected rate? | Yes, for wheat and feed grains only; not for cotton and rice.  | Yes, for wheat, feed grains, cotton and rice.   | Yes, for wheat, feed grains and cotton; not for rice.  | <u>Administration</u> continues current law. <u>House</u> extends guarantee to cotton and rice. <u>Senate</u> guarantees rate to all program crops except rice.   |
| <b>CROP ACREAGE BASES (CAB's)</b>  |  |   |  |   |
| How are CAB's determined?  | <u>Program Crops and Oilseeds</u> : 5-year moving average (lagged 1 year) of planted and considered planted acreage. | <u>Wheat and Feed Grains</u> : 5-year moving average of planted and considered planted acreage.<br><br><u>Upland Cotton and Rice</u> : 3-year moving average of planted and considered planted acreage.<br><br><u>ELS Cotton</u> : 3-year moving average (lagged 1 year) of planted and considered planted acreage. | <u>Wheat, Feed Grains and Oilseeds</u> : 5-year moving average of planted and considered planted acreage.<br><br><u>Upland Cotton and Rice</u> : same as for other crops, except if no P&CP is credited for a year, exclude that year in the calculation. The base shall not exceed P&CP for the previous 2 years if no P&CP for any year. | <u>Administration</u> makes base calculation similar for all commodities and lags calculation 1 year to ensure timely notification to producers. <u>Senate</u> maintains current law. <u>House</u> changes cotton and rice calculation to 3-year moving average with no exclusion for years with no P&CP. |



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|   | <b>Administration</b>  | <b>House</b>   | <b>Senate</b>   | <b>Comments</b>   |
|---|--|--|---|---|
| How is Acreage Conservation Reserve (ACR) calculated? | The result of multiplying the crop acreage base for the program crop by the percentage reduction announced by the Secretary. | The result of multiplying the payment acreage for the crop by the ARP factor.  | Same as Administration.   | <u>Administration</u> and <u>Senate</u> calculate idled acreage as a percent of base to simplify producer understanding of the program. |
| <b>PROGRAM PAYMENT YIELDS</b>                         |  |  |   |   |
| How are program yields determined?                    | Frozen at the 1990 level.  | Frozen at the 1990 level, or, at Secretary's discretion, can be based on a 5-year moving average, dropping the high and low, of actual yields. | Frozen at 1990 level, program payment yields, but payment yield can not fall below 90% of 1985 level; or, at Secretary's discretion, program yield can be based on a 5-year moving average, dropping the high and low, of actual harvested yields.<br><br>Secretary is required to collect actual yield data and maintain it for 5 years. | All three proposals allow the Secretary to freeze payment yields at the 1990 level.   |
| What yield is used for rice loan deficiency payments? | Would not apply since Findley loan provisions would be used for rice instead of marketing loan.                              | Harvested yield.   | Harvested yield.  | Current law limits payments to program yield.   |



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|   | Administration   | House   | Senate  | Comments  |
|---|--|---|---|---|
| <b>HAYING AND GRAZING</b>                                 |  |   |   |   |
| What restrictions apply to haying and grazing ACR and CU? | <p>Secretary may allow haying and grazing during designated 7-month period on ACR and CU if he determines such would not have an adverse economic effect.</p> <p>Year-round haying and grazing is authorized under emergency conditions.</p> | <p>Removes Secretarial discretion by requiring haying and grazing during designated 7-month period if State ASC requests such.</p> <p>Same as Administration.</p> | <p>Same as House.</p> <p>Same as Administration.</p>  | <p><u>House</u> and <u>Senate</u> remove Secretarial discretion to permit haying and grazing during 7-month period.</p>   |
| <b>CROSS COMPLIANCE</b>                                   |  |   |   |   |
| What restrictions apply to cross compliance?              | May be invoked at Secretarial discretion.  | Prohibits limited cross compliance and base building unless nonparticipant in all program crops.  | Same as House.  | <p><u>House</u> and <u>Senate</u> prohibit limited cross compliance, but also prohibit base building by participants. Some provisions of flexibility options in both <u>House</u> and <u>Senate</u> imply a form of limited cross compliance.</p> |
| <b>FOOD SECURITY WHEAT RESERVE</b>                        |  |   |   |   |
| What rules apply to rebuilding FSWR?                      | Extends authority for replenishment, but not required.   | Requires replacing wheat within 18 months after release, subject to availability or appropriation.  | Extends current authority. Adds that if season average wheat price is less than 140% of loan rate, the minimum in the FSWR is 75 million bushels. | <u>House</u> and <u>Senate</u> require replenishment within certain guidelines.   |



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|                                       | Administration   | House  | Senate   | Comments   |
|---------------------------------------|--|--|--|--|
| <b>MINIMUM CCC SALES POLICY</b>       |  |  |  |  |
| What restrictions apply to CCC sales? | <u>All Commodities</u> : Lower of 110 percent of loan rate or loan repayment rate. | <u>Wheat and Feed Grains</u> : When FOR is in effect, not less than 165% of loan rate; When FOR not in effect, not less than 150% of loan rate.<br><u>Cotton and Rice</u> : Lower of 115% of loan rate or loan repayment rate. | <u>In General</u> : Lower of 115% of loan rate or loan repayment level.<br><u>Wheat and Feed Grains</u> : When FOR is in effect, not less than 105% of target.<br><u>Oilseeds</u> : Not less than 105% of loan rate or 115% of loan repayment level. | <u>Administration</u> has the lowest price trigger for CCC sales, while the House has the highest. <u>Senate</u> slightly above level set by <u>Administration</u> . |



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|                          | Administration  | House  | Senate   | Comments  |
|--------------------------|---|--|--|---|
|                          | <b>FARMER-OWNED RESERVE (FOR)</b>   |  |  |   |
| What rules apply to FOR? | <p><u>Implementation:</u> Not specified.</p> <p><u>Wheat and Feed Grains:</u><br/> <u>Maximum level (mil bu)</u><br/>           Wheat 300<br/>           Feed Grains 600</p> <p><u>Minimum Level:</u> None.</p> <p><u>Contract Period:</u> 9-12 months, with repayment any time before maturity.</p> <p><u>Storage Stop:</u><br/>           Discretionary at 140% of loan rate.</p> <p><u>Storage Payments:</u> fixed in quarterly installments.</p> <p><u>Interest:</u> Discretionary, may be waived by Secretary.</p> | <p><u>Implementation:</u> FOR must be implemented if wheat (feed grain) S/U ratio is greater than 40% (25%).</p> <p><u>Wheat and Feed Grains:</u><br/> <u>Maximum level (mil bu)</u><br/>           Wheat 300<br/>           Feed Grains 600</p> <p><u>Minimum Level:</u> None required.</p> <p><u>Contract Period:</u> 18 months, plus 6-month extension at producer's option. Repayment any time before maturity.</p> <p><u>Storage Stop:</u> 150 percent of loan rate.</p> <p><u>Storage Payments:</u> Not less than commercial rates in that State.</p> <p><u>Interest:</u> Same as Administration. May also permit repayment at less than principal amount of loan.</p> | <p><u>Implementation:</u> FOR must be implemented when supplies are abundant or prices are less than 140% of the loan value.</p> <p><u>Wheat and Feed Grains:</u><br/> <u>Maximum Level</u><br/>           Wheat: 300 mil. bu. to 30% of use.<br/>           Feed Grains: 600 mil. bu. to 15% of use</p> <p><u>Minimum Level:</u> None specified.</p> <p><u>Contract Period:</u> Not less than 3 years, with extensions as warranted. Repayment anytime before maturity.</p> <p><u>Storage Stop:</u> Target price.</p> <p><u>Storage Payments:</u> Comparable to commercial rates, paid at end of each quarter.</p> <p><u>Interest:</u> May charge interest whenever prices equal or greater than target prices.</p> | <p>Senate has the largest potential FOR, and would require the longest contract period. <u>House</u> and <u>Senate</u> require storage payments comparable to commercial rates. All proposals would pay storage "after the fact."</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                            | Administration   | House  | Senate   | Comments   |
|----------------------------|--|--|--|--|
| <b>PAYMENT LIMITATIONS</b> |  |  |  |  |
| What are the requirements? | <u>Wheat, Feed Grains, Cotton and Rice:</u> Not addressed. | <u>Wheat, Feed Grains, Cotton and Rice:</u> Extends current law. | <u>Wheat, Feed Grains, Cotton and Rice:</u> Extends current law.   | No changes from current law.   |
| What about spouses?        | Not addressed.   | No change from current law.                                      | <p>The husband and wife shall be considered one person, except:</p> <p>1) If prior to marriage, each were engaged in unrelated farming operations and each continues to be operated as a separate operation, then they shall be treated as separate persons for payment limitations.</p> <p>2) Spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity may be considered separate persons if spouse meets requirements established to be considered as a separate person.</p> | <u>Senate</u> adds conditions for spouses to be considered separate persons for payment limitation purposes. |



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|                                  | Administration  | House  | Senate  | Comments  |
|----------------------------------|---|--|---|---|
|                                  | <b>WOOL AND MOHAIR PROVISIONS</b>   |  |   |   |
| How are payments determined?     | Current parity-based payments changed to target price/deficiency payment concept. Target set at 90% of 1985 support prices, adjusted in subsequent years commensurate with other commodity targets. | Extends current law without change.  | Same as House.  | <u>House</u> and <u>Senate</u> extend current law. <u>Administration</u> proposed moving to a target price concept. |
| Do payment limitations apply?    | Wool/Mohair payments subject to combined \$250,000 limit per person.  | \$250,000 per person limitation on National Wool Act payments.   | \$50,000 per person limitation on wool/mohair payments.   | <u>Senate</u> most restrictive; <u>House</u> least restrictive.   |
|                                  | <b>SUGAR PROGRAM PROVISIONS</b>   |  |   |   |
| What is the loan rate for sugar? | Not addressed.  | <u>Cane Sugar</u> : Minimum of 18 cents/lb, with authority to increase loan rate based on cost of production and other factors.<br><br><u>Beet Sugar</u> : Loan rate based on the weighted averages of the most recent 5 years of producer returns for sugar beets relative to sugar cane. | <u>Cane Sugar</u> : Same as House.<br><br><u>Beet Sugar</u> : Loan rate at level Secretary determines is fair and reasonable in relation to loan rate for cane sugar. | <u>Senate</u> same as current law.<br><br><u>House</u> provisions would result in higher loan rate.                 |



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|                                      | <b>Administration</b> | <b>House</b>  | <b>Senate</b>      | <b>Comments</b>  |
|--------------------------------------|-----------------------|---|--------------------|--|
| What is the period for the loan?     | Not addressed.        | <p>9-month loan period.</p> <p>Provision for supplementary loan in addition to initial loan for areas that harvest sugarbeets in the last three months of the fiscal year.</p> <p>Initial loan will be paid by end of fiscal year</p> <p>Supplementary loan (1) will be available on first day of following fiscal year and be made at the same rate as the initial loan; and (2) will mature in 9 months less the amount of time the initial loan was in effect.</p> | Same as in House.  | <p>Sugar program currently administered with 6 month loans.</p> <p><u>House</u> and <u>Senate</u> provisions raise the market stabilizing price (MSP).</p> |
| What is the import level?            | Not addressed.        | 1.25 million short tons annually.   | No such provision. |  |
| What are the reporting requirements? | Not addressed.        | Requires monthly reporting by cane refiners, beet processors, and crystalline fructose manufacturers, and by USDA concerning imports, distribution and stock levels.  | No such provision. |  |



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|  | <b>Administration</b> | <b>House</b>   | <b>Senate</b>   | <b>Comments</b> |
|--|-----------------------|--|---|-----------------|
| What about marketing allotments for sugar? | Not addressed.        | <p>Requires Secretary to establish marketing allotments for sugar processed from domestically produced sugarcane and sugar beets to maintain imports of not less than 1.25 million short tons.</p> <p>Prohibits processors from marketing, including pledging as loan collateral, any sugar in excess of the processor's marketing allotment.</p> <p>Requires proportionate sharing of allotments among producers of sugarcane in those States that have in excess of 250 producers.</p> | <p>No such provision.</p> <p>No such provision.</p> <p>No such provision.</p> |                 |
| What about re-export of sugar?             | Not addressed.        | <p>Creates additional re-export program financed by a tax on domestic sugar and fructose marketings.</p> <p>Funds used to purchase additional sugar from Caribbean Basin and low income countries at 7 cents above the world price or U.S. loan rate, whichever is lower.</p> <p>Such purchases would be refined and exported.</p> <p>Re-export program effective when sugar imports fall below 1.7 million short tons.</p>  | No such provision.  |                 |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>House</b>  | <b>Senate</b>                   | <b>Comments</b>  |
|---|---|---|---------------------------------|--|
| Are there any requirements for a study?     | Not addressed.  | Requires Comptroller General of U.S. on progress made by Government in addressing concerns raised by a GAO report on imports of sugar-containing products.  | No such provision.              |  |
| Are there any disaster provisions?          | Not addressed.  | For the 1990 crop only, provides for reduced yield disaster payments equal to 50% of the loan rate for deficiency in production below 60%. Payments to be made on recoverable sugar basis, not on tonnage of sugarcane harvested. | No such provision.              | <u>House</u> provision effective only for the State of Louisiana.  |
| <b>HONEY PROGRAM PROVISIONS</b>             |   |   |                                 |  |
| What type of program is proposed for honey? | Income support program.   | Continues current program.  | Continues current program.      |  |
| What is the target price for honey?         | Set at 1990 loan rate and adjusted with other commodity targets.                                  | None.   | None.                           | <u>Administration</u> changes program from loan to target/deficiency payment concept comparable to other commodities.                  |
| What is the loan rate for honey?            | Set at 75-85 percent of the average market price during previous 5 years, excluding high and low. | Minimum rate of 53.8 cents/lb.  | Minimum rate of 56.86 cents/lb. | <u>House</u> sets loan at 1990 rate, <u>Senate</u> at 1989 rate. <u>Administration</u> sets loan formula similar to other commodities. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | Administration  | House                                 | Senate                              | Comments                            |              |           |              |           |              |           |              |       |       |   |   |   |
|---|---|---------------------------------------|-------------------------------------|-------------------------------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-------|-------|---|---|---|
| What is the loan repayment level for honey? | Provision for a loan repayment rate below the loan rate at Secretary's discretion, to prevent forfeitures, save Government costs and maintain market competitiveness of honey.  | Same as Administration.               | Same as Administration.             | All three maintain current program. |              |           |              |           |              |           |              |       |       |   |   |   |
| What payment limitations apply to honey?    | \$250,000 limit on loan repayment gains.  | Same as current law.                  | Same as current law.                |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| <b>DAIRY PROGRAM PROVISIONS</b>             |   |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| What is the support price level for milk?   | <p>Continue to tie the price support level to projected surplus. Provide more flexibility to reflect market conditions when setting support prices.</p> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>Projected Surplus</u><br/>(Bil lbs)</th> <th style="text-align: left;"><u>Price Adjustment</u><br/>(\$/cwt)</th> </tr> </thead> <tbody> <tr> <td>&lt; 2.5</td> <td>+.25 to +.50</td> </tr> <tr> <td>2.51- 5.0</td> <td>-.25 to +.25</td> </tr> <tr> <td>5.01- 7.5</td> <td>-.25 to -.50</td> </tr> <tr> <td>7.51-10.0</td> <td>-.50 to -.75</td> </tr> <tr> <td>&gt;10.0</td> <td>-1.00</td> </tr> </tbody> </table> | <u>Projected Surplus</u><br>(Bil lbs) | <u>Price Adjustment</u><br>(\$/cwt) | < 2.5                               | +.25 to +.50 | 2.51- 5.0 | -.25 to +.25 | 5.01- 7.5 | -.25 to -.50 | 7.51-10.0 | -.50 to -.75 | >10.0 | -1.00 | <p>Minimum of \$10.10 as of Jan. 1, 1991 - Dec. 31, 1995.</p> <p>Price support level raised at least \$0.25 on Oct. 1 of 1991 through 1995, if annual surplus is projected less than 3.5 billion pounds, milk equivalent, total solids basis.</p> <p>Lowered \$0.25-\$0.50 (but not less than \$10.10) on Oct. 1 of 1992 through 1995, if annual surplus is projected to exceed 5.0 billion pounds.</p> <p>Both Agriculture Committees must be notified by Aug. 1 of any change in price to occur Oct. 1.</p> | <p>Same as House.</p> <p>Same as House, except action taken on Jan. 1.</p> <p>Same as House, except action taken on Jan. 1.</p> <p>Both Committees must be notified by Nov. 1 of any change in price to occur Jan. 1.</p> | <p>Administration allows for greater flexibility in adjusting milk support prices. House and Senate have similar provisions, except that the price support may not drop below current levels.</p> |
| <u>Projected Surplus</u><br>(Bil lbs)       | <u>Price Adjustment</u><br>(\$/cwt)   |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| < 2.5                                       | +.25 to +.50  |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| 2.51- 5.0                                   | -.25 to +.25  |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| 5.01- 7.5                                   | -.25 to -.50  |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| 7.51-10.0                                   | -.50 to -.75  |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |
| >10.0                                       | -1.00   |                                       |                                     |                                     |              |           |              |           |              |           |              |       |       |   |   |   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b> | <b>House</b>  | <b>Senate</b>  | <b>Comments</b>  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
|---|-----------------------|---|--|------------------|------|----------|-------------|----------|-------------|----------|--|----------------------|------------------|------|---------|-------------|---------|-------------|---------|---|
| Are CCC purchase prices specified?                      | No.                   | <p>The purchase price for butter for the <u>fiscal</u> year shall not exceed:</p> <table> <thead> <tr> <th><u>Fiscal Year</u></th> <th><u>Price/Lb.</u></th> </tr> </thead> <tbody> <tr> <td>1991</td> <td>\$0.8150</td> </tr> <tr> <td>1992 &amp; 1993</td> <td>\$0.8150</td> </tr> <tr> <td>1994 &amp; 1995</td> <td>\$0.7875</td> </tr> </tbody> </table> <p>An exception allows butter purchase prices to exceed above rates if it will result in the lowest level of expenditures by CCC.</p> <p>Both Agriculture Committees must be notified if the Secretary intends to raise butter prices above specified rates.</p> | <u>Fiscal Year</u>   | <u>Price/Lb.</u> | 1991 | \$0.8150 | 1992 & 1993 | \$0.8150 | 1994 & 1995 | \$0.7875 | <p>The purchase price for butter for the <u>calendar</u> year shall not exceed:</p> <table> <thead> <tr> <th><u>Calendar Year</u></th> <th><u>Price/Lb.</u></th> </tr> </thead> <tbody> <tr> <td>1991</td> <td>\$0.983</td> </tr> <tr> <td>1992 &amp; 1993</td> <td>\$0.815</td> </tr> <tr> <td>1994 &amp; 1995</td> <td>\$0.788</td> </tr> </tbody> </table> <p>Same provision as House, but in addition, the Secretary may consider other appropriate factors.</p> <p>Same as House.</p> | <u>Calendar Year</u> | <u>Price/Lb.</u> | 1991 | \$0.983 | 1992 & 1993 | \$0.815 | 1994 & 1995 | \$0.788 | <p>Except for 1991, purchase price for butter similar between <u>House</u> and <u>Senate</u>, but differ as to time period each rate applies (fiscal vs. calendar year). The <u>House</u> has a 16.8 cent lower butter price in 1991.</p> <p>These butter price reductions require an offsetting increase in the CCC purchase price of nonfat dry milk.</p> |
| <u>Fiscal Year</u>                                      | <u>Price/Lb.</u>      |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1991  | \$0.8150              |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1992 & 1993   | \$0.8150              |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1994 & 1995   | \$0.7875              |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| <u>Calendar Year</u>                                    | <u>Price/Lb.</u>      |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1991  | \$0.983               |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1992 & 1993   | \$0.815               |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| 1994 & 1995   | \$0.788               |   |  |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |
| How is the milk equivalent of CCC purchases determined? | Not specified.        | <p>The milk equivalent of surplus dairy products purchased by CCC shall be measured on a total solids basis, equal to the weighted average of the milk equivalents, on a milkfat and a nonfat solids basis. The milk equivalent of nonfat solids shall not be weighted more than 70%, nor the milk equivalent of milkfat more than 40%.</p> <p>Issue a proposed formula within 30 days of enactment and a final rule within 90 days of enactment.</p>   | <p>Same as House.</p> <p>No public hearing process required.</p> |                  |      |          |             |          |             |          |  |                      |                  |      |         |             |         |             |         |   |



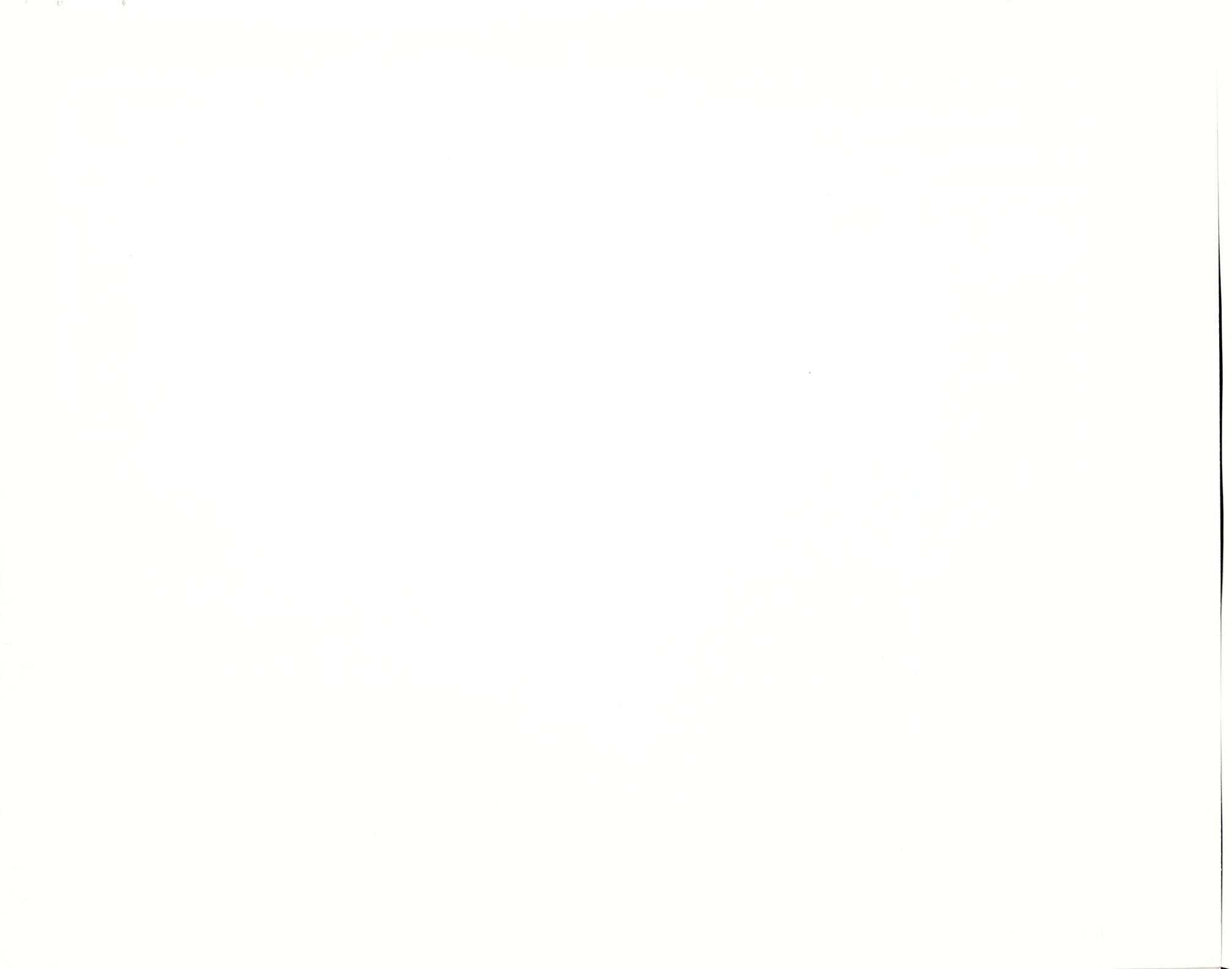
## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | <b>Administration</b> | <b>House</b>   | <b>Senate</b>  | <b>Comments</b>   |
|--|-----------------------|--|--|---|
| Are there adjustments to CCC purchase levels which trigger program action? | No.                   | Exclude any increase in imports of dairy products from the 1986-90 average, on a total solids basis, from projection of annual surplus.  | Same as House.   | Should imports increase, <u>House</u> and <u>Senate</u> allows greater accumulation of surplus before triggering program action.  |
| Is supply management provided?   | No.                   | <p>Within 180 days of enactment, the Secretary shall submit to both Agriculture Committees, a report recommending a supply management program.</p> <p>Two-tier pricing plans must be evaluated. Termination or diversion programs and use of assessments as a mechanism to decrease price support levels are excluded from the study.</p> <p>The supply management program must be implemented for any fiscal year 1992 through 1995 (but not before Jan. 1, 1992) if CCC purchases are projected to exceed 7.0 billion pounds.</p> <p>The Secretary may not enter into contract with any dairy farmer for the purpose of selling <u>any</u> dairy cattle for slaughter.</p> | <p>Within 90 days after enactment, the Secretary shall request proposals concerning a milk marketing adjustment program. Within 180 days after request, the Secretary shall evaluate them according to listed criteria. By July 1, 1991, after opportunity for public comment, the Secretary shall submit to both Agriculture Committees, a report with recommendations.</p> <p>Implement the milk marketing adjustment program on Jan. 1 for any year that CCC purchases are projected to exceed 7.0 billion pounds.</p> <p>Similar to House.</p> | <p>The Secretary must implement a supply management program (other than a dairy termination program) if CCC purchases are projected to exceed 7 billion pounds.</p> <p>Exclusions from study by <u>House</u> leaves few options other than a two-tier pricing program.</p> <p>A large degree of Congressional oversight is included in both <u>House</u> and <u>Senate</u> bills.</p> |



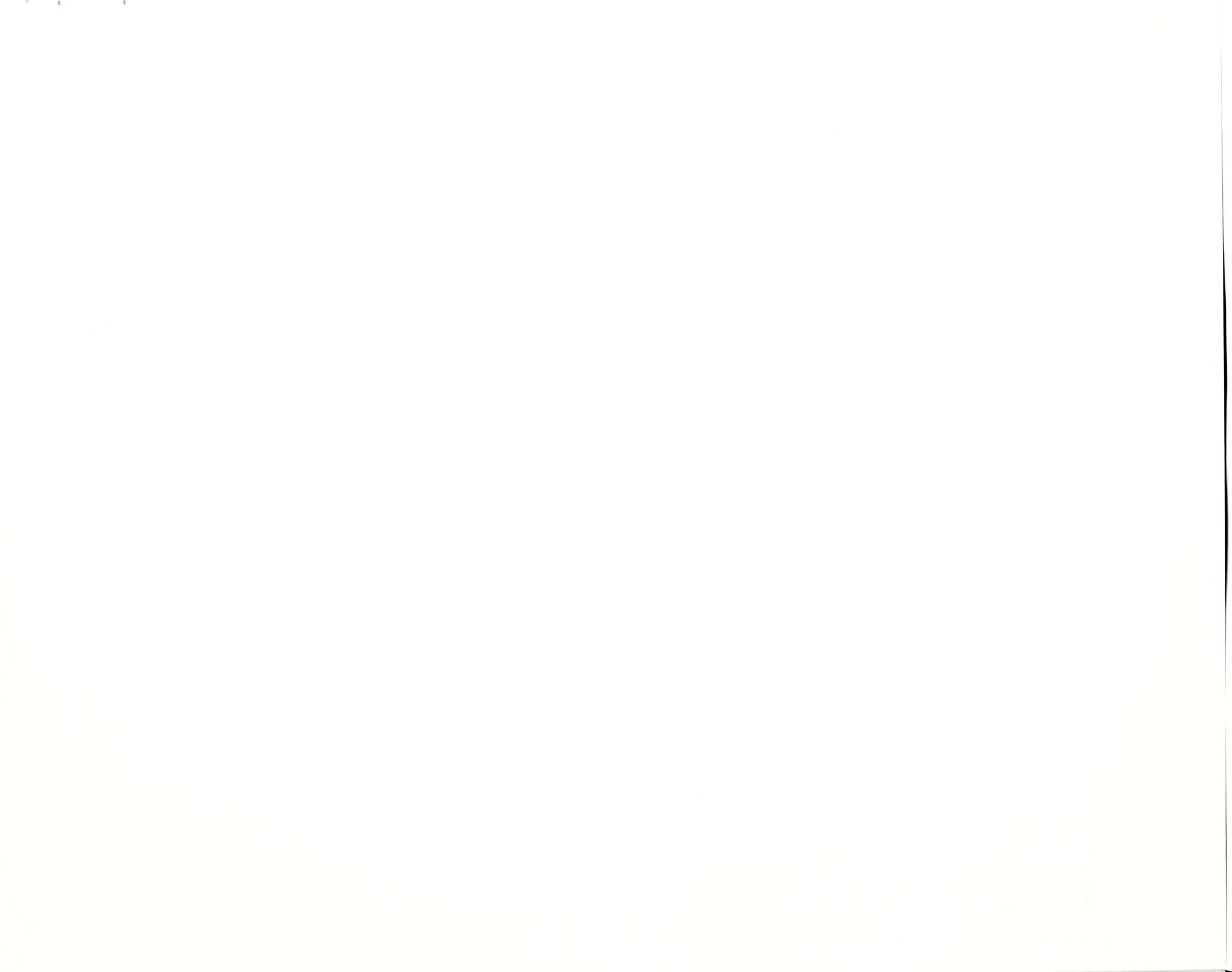
## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>House</b>   | <b>Senate</b>  | <b>Comments</b>   |
|---|---|--|--|---|
| Are state milk manufacturing margins addressed?                             | No.   | <p>The Agricultural Marketing Service shall conduct a study of state milk pricing programs to be submitted to both Agriculture Committees within a year after enactment.</p> <p>Public hearing may be required after study. States provided administrative remedy if hearing results are negative.</p> | <p>No state may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat milk, or cheese.</p> | <u>House</u> requires a study of make allowances; <u>Senate</u> would prohibit situations such as higher make allowances in California. |
| Can whey values be considered in setting the CCC purchase price for cheese? | No provision.   | The Department is prohibited from considering any market value of whey in the calculation of the support purchase price for cheese.  | Similar to House.  | Both <u>House</u> and <u>Senate</u> would prohibit use of whey values in setting CCC purchase price for cheese.                         |
| Is there an extension of the Dairy Indemnity Program?                       | No.   | Extends availability of indemnity payments to dairy farmers through 1995.  | Similar to House.  | Both <u>House</u> and <u>Senate</u> would extend the Dairy Indemnity Program. <u>Administration</u> would not.                          |
| Are specific level of export sales of dairy products called for?            | Recommends that specific levels of CCC dairy export sales should not be mandated. | Mandates export sales of not less than 150,000 metric tons of dairy products (not less than 100,000 MT of butter and not less than 20,000 MT of cheese) if it will not interfere with usual marketings of the U.S. not disrupt world price and normal patterns of commercial trade.                    | Extends current mandate through 1995.  | <u>Administration</u> does not recommend continuation of program; both <u>House</u> and <u>Senate</u> do.                               |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>House</b>  | <b>Senate</b>  | <b>Comments</b>  |
|---|---|---|--|--|
| Is the authority for the Dairy Export Incentive Program extended? | Recommends against continuation of the DEIP.  | Extends program authority through 1995.   | Same as House.   |  |
| <b>PEANUT PROGRAM PROVISIONS</b>                                  |   |   |  |  |
| What is the minimum National poundage quota?                      | 1,100,000 tons  | 1,350,000 tons  | 1,350,000 tons   | <u>House</u> and <u>Senate</u> increases minimum quota level.  |
| How is the National poundage quota established?                   | Equal to quantity of peanuts estimated by the Secretary to be used for domestic edible, seed, and related uses in each marketing year. No acreage allotments.       | Same as Administration.   | Same as Administration, except the Secretary may make adjustments for carryover and under marketings if such adjustments will not result in additional outlays or CCC losses.  | <u>Senate</u> provides the Secretary with the most flexibility.  |
| How is the support price for quota peanuts established?           | The 1991 support price is set at 90% of the 1985 loan rate. Thereafter, support price will be adjusted commensurate with target prices of target price commodities. | For the 1991-1995 crops, the price support level for the preceding crop year will be adjusted to reflect any increase in average cost of production (excluding changes in cost of land) during preceding year, except increase from one crop to the next may not exceed 6%. | For the 1991 crop, the increase is calculated the same as in the House, except increase may not exceed 8%. No increase for 1992 and 1994 crops. The 1993 and 1995 increases will reflect changes in the national average cost of peanut production, less land costs, for the two immediately preceding years. Increase attributed to each of the two years will not exceed 4%. | <u>House</u> is an extension of current law. Both <u>House</u> and <u>Senate</u> will continue modest CCC costs. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | <b>Administration</b>  | <b>House</b>   | <b>Senate</b>  | <b>Comments</b>                                      |
|--|--|--|--|--|
| How is the support price for additional peanuts established?   | Set at such level as the Secretary finds appropriate, taking into consideration the demand for peanut oil and meal, prices of other vegetable oils and meals, and foreign demand for peanuts, but at a level to ensure no loss to CCC. | Same as Administration.  | Same as Administration.                                    | No change in current law.                            |
| What would be the latest date handlers could sign contracts with producers for the sale of additional peanuts? | Handlers may contract with producers of additional peanuts to buy such peanuts for crushing or export. contract must be signed and submitted to the Secretary for approval by August 1.  | Same as Administration.  | Similar to Administration, except deadline is December 16. | Current law specifies August 1.                      |
| May quotas be sold or leased to any producer?  | Yes, would eliminate sale and lease restrictions.  | No, only a farm within the county where the quota was located. If a State has a combined quota of less than 10,000 tons, may be sold or leased to any farm within the State. | Same as House.   | <u>House and Senate</u> are the same as current law. |
| How are State quota increases distributed?   | Increases are allocated equally to all farms with quota and other farms with peanut production during at least 2 of the 3 preceding years.   | Same as Administration except: allocated proportionately based on farm production history for 3 immediately preceding years.   | Same as House.   |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration     | House              | Senate  | Comments  |
|--|--------------------|--------------------|---|---|
| <b>PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM</b> |                    |                    |   |   |
| How would the pilot program be operated?             | No such provision. | No such provision. | <p>If an acreage limitation program or land diversion program is announced for the 1991 or 1992 crops of wheat and feed grains (does not apply to cotton and rice), the Secretary shall carry out a pilot program in at least 15 counties in at least 4 States where producers are interested in participating.</p> <p>To comply with the program, producers must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of wheat or feed grains in excess of the production limitation quantity, defined as permitted acreage under the acreage reduction program multiplied by the higher of the farm program payment yield or 5-year average harvested yields, excluding the high and low years.</p> | <p><u>Senate</u> requires a pilot program to be offered for the 1991 and 1992 crops of wheat and feed grains.</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | <b>Administration</b> | <b>House</b>       | <b>Senate</b>  | <b>Comments</b> |
|--|-----------------------|--------------------|--|-----------------|
| What are the terms and conditions for the program? | No such provision.    | No such provision. | <p>Producers shall:</p> <ol style="list-style-type: none"> <li>1) enter into a binding agreement with the Secretary;</li> <li>2) not plant program commodities for harvest in excess of normal crop acreage; and,</li> <li>3) be considered to have complied with acreage reduction program even though acreage planted on the farm exceeds the permitted acreage.</li> </ol>  |                 |
| What happens with excess production?               | No such provision.    | No such provision. | <p>Any quantity of wheat or feed grains produced in excess of the production limitation quantity <u>shall be stored by</u> producers for a period not to exceed 5 years. This excess stored production may be released in a subsequent year if (1) under production of the producer limitation quantity occurs, or (2) producers participating in an ARP or land diversion program (released quantity equal to expected production from the ARP or PLD acreage).</p> |                 |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | <b>Administration</b> | <b>House</b>       | <b>Senate</b>  | <b>Comments</b> |
|--|-----------------------|--------------------|--|-----------------|
| What about offering the Pilot program for the 1993-1995 crops? | No such provision.    | No such provision. | GAO required to make a study and present recommendations concerning whether the pilot program should be made available to all producers of each of the 1993 through 1995 crops of wheat and feed grains. |                 |



**PART II: CONSERVATION PROVISIONS**



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                     | Administration   | Senate   | House   | Comments   |
|-------------------------------------|--|--|---|--|
| <b>CONSERVATION RESERVE PROGRAM</b> |  |  |   |  |
| Name of program                     | Conservation Reserve Program.  | Conservation Stewardship Program (CSP). Conservation Reserve Program renamed Environmental Conservation Acreage Reserve Program (ECARP).   | Conservation Reserve Program.   | Senate: CSP includes ECARP and Wetland Reserve.  |
| Acreage enrollment goal             | 40 million acres. (6 million additional acres, including wetland.)                                     | Sec. shall enroll 40 to 50 million acres in CSP. (At least 6 million new acres, including wetland.)<br><br>Up to 1 million acres during 1991-1994 may be considered enrolled based on ratio of ECARP costs to Water Quality Incentive Program costs.   | Up to 45-million acres (not including wetland)<br><br>No minimum enrollment specified.<br><br>Not less than one-eighth devoted trees, shrubs, hydrophytic vegetation, critical area seedings, or other non-crop vegetation or water that provides permanent wildlife habitat. | Senate: Sec. shall consider prices, stocks, exports, natural disasters in deciding whether to go beyond 40 million acres.<br><br>Both versions extend enrollment period to 1995.<br><br>Contracts in both would generally be for 10 years, 15 years for hardwoods, windbreaks, shelterbelts. |
| Acreage enrollment limitation       | Waive 25-percent county cropland limit where water quality benefits outweigh adverse economic impacts. | 25-percent county cropland limit waived if local economy not adversely affected or county producers are having severe difficulty meeting conservation and environmental requirements, or water quality risk outweighs local economic impacts.<br><br>Limit does not apply to windbreaks or shelterbelts. | No more than 25 percent in CRP or easements, unless economy not adversely affected and producers having difficulty complying with conservation plans.<br><br>Limits pasture planted to trees to 10 percent of new enrollment.   | Senate: Sec. shall not require written consent of a member of Congress to waive limitation.<br><br>House: Wording to limit enrollment per county is confusing.   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                             | <b>Administration</b>   | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>   |
|-----------------------------|---|--|--|---|
| <b>Eligibility criteria</b> | <p>Allows windbreaks without whole fields.</p> <p>Retargets to focus on water quality, wildlife habitat, and forestation.</p> <p>Eligible lands could include:</p> <ul style="list-style-type: none"> <li>o Cropland in wellhead protection and sinkhole areas.</li> <li>o Cropland in impaired watersheds (Sec. 319 areas).</li> <li>o Cropland where nonpoint sources pose significant threat to endangered species habitat.</li> <li>o Filterstrips.</li> <li>o Other lands where water quality could be enhanced by cropland retirement.</li> </ul> <p>HEL would still be eligible.</p> | <p>Secretary shall include:</p> <ul style="list-style-type: none"> <li>o Land used in windbreaks, shelterbelts, contour strips to reduce soil loss on highly erodible cropland or to reduce on-farm or off-farm environmental threat.</li> <li>o Environmentally sensitive, economically marginal pastureland devoted to trees.</li> <li>o Other lands that could pose on-farm or off-farm threat to water quality, including cropland in <b>State approved</b> wellhead protection areas, sinkhole areas, <b>State approved</b> critical cropland (Sec. 319) areas, filterstrips, and areas where nonpoint sources threaten endangered species.</li> </ul> <p>Easements for useful lives required for windbreaks or shelterbelts.</p> | <p>Secretary <b>may</b> include:</p> <ul style="list-style-type: none"> <li>o Highly erodible cropland if continued cropping could substantially reduce productive capacity or that cannot be farmed in accordance with a conservation or water quality plan.</li> <li>o Marginal pastureland converted to wetland, planted to wildlife habitat, or planted to trees in or near to riparian areas.</li> <li>o Cropland that contributes to degradation of water quality or that could pose other off-farm or on-farm (salinity) environmental threat.</li> <li>o Cropland planted to trees, wildlife habitat, windbreaks, living snow fences, shelterbelts, grass waterways, contour strips, filterstrips.</li> <li>o Farmed wetlands, if wildlife values and functions restored.</li> </ul> | <p>Senate: Land not eligible if Water Quality Incentive Program can achieve goals.</p> <p>Senate: Sec. may limit the amount of pastureland enrolled per farm.</p> <p>Senate: HEL is eligible if on-farm or off-farm threat to water quality is ameliorated or prevented.</p> <p>House: Any cropland planted to trees would be eligible.</p> <p>House: Allows cropland on which the Sec. has prevented production of agricultural commodities.</p> <p>Marginal pastureland and environmentally sensitive, economically marginal pastureland undefined.</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | <b>Administration</b>   | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>  |
|--|---|--|--|--|
| <b>Priority, acceptability of contracts</b>          |   | <p>Priority to offers that provide for the greatest public benefit.</p> <p>May consider benefits to wildlife.</p>  | <p>May consider soil resource improvement, water quality enhancement, or other environmental benefits.</p> <p>Where appropriate, accept shelterbelts, windbreaks, living snow fences, filterstrips, and trees that will enhance water quality.</p> | House: May establish different criteria for different areas.   |
| <b>Conversion and extension of current contracts</b> |   | <p>Sec. shall allow conversion of prior converted wetland to wetland if permanent or long-term easement provided.</p> <p>Other proposals listed in Tree Planting Incentives section.</p>                               | Proposals listed in Tree Planting Incentives section.  | Senate does not provide cost share for conversion of CRP to wetland?   |
| <b>Protection of land after contract expiration</b>  | <p>Extend base protection if conservation cover maintained.</p> <p>New contracts require "T".</p> | <p>Extend base protection if conservation cover maintained.</p> <p>New contracts require "T" if feasible.</p>  | <p>Extend base protection up to 10 years if conservation cover maintained, allow limited haying and grazing; prohibits any cost share, annual rental, or bonus payments.</p>   | House version includes provision requiring 50-percent reduction in erosion level for new or revised conservation plans, if feasible.   |
| <b>Planting restriction on highly erodible sod</b>   |   | <p>Producers with new contracts in counties that have not reached 25-percent limit, <b>may not produce agricultural commodities on other highly erodible land that does not have a history of crop production.</b></p> |  | <p>Violators ineligible for commodity program payments, storage loans, crop insurance, disaster payments, FmHA loans, storage payments.</p> <p>Benefits denied even if erosion controlled.</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                 | <b>Administration</b>  | <b>Senate</b>  | <b>House</b>  | <b>Comments</b>   |
|---------------------------------|--|--|---|---|
| <b>Tree planting incentives</b> | <p>Allow windbreaks, shelterbelts without whole fields.</p> <p>Other incentives provided under President's Tree Planting Initiative.</p> | <p>Sec. shall allow new contracts devoted to hardwoods, windbreaks, shelterbelts to be up to 15 years.</p> <p>Current contracts devoted to hardwoods, windbreaks, or shelterbelts may be extended to 15 years.</p> <p>Sec. shall allow producers to convert grass cover to hardwoods, windbreaks, shelterbelts, and to extend contracts to 15 years (50-percent cost share shall be provided, if appropriate).</p> <p>Continuous signup for hardwoods.</p> <p>50 to 75 percent cost share if land devoted to hardwoods, windbreaks, shelterbelts.</p> <p>May permit tree planting to occur over 3 years.</p> <p>May allow alley cropping if planted to hardwoods, bid system used to reduce annual payments by at least 50 percent, and no net cost.</p> | <p>Same as Senate.</p> <p>Same as Senate.</p> <p>Sec. shall allow producers to convert grass to indigenous trees, with total cost sharing (including original amount for grass cover) not to exceed total cost of establishing indigenous trees; and to extend contracts to 15 years.</p> <p>Same as Senate.</p> <p>Same as Senate.</p> <p>May allow agroforestry (alley cropping in Senate version), with 5-year contract extension.</p> | <p>Senate: Producers must provide easements for the useful lives of windbreaks, shelterbelts (new, extended, or converted contracts).</p> <p>House: Shall permit modification of current contracts to permit sustained-yield harvesting during last 3 years if base permanently retired (additional compensation shall be provided for base retired).</p> <p>House: In determining whether to cost share 50 or 75 percent, Sec. is to consider the one-eighth requirement.</p> <p>House: Cost-share recipients may not receive cost sharing from other Federal program.</p> <p>20-year contracts allowed (at Sec. discretion) in House's agroforestry provision?</p> <p>Cost sharing not provided in agroforestry/agronomic cropping options?</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                            | <b>Administration</b>                    | <b>Senate</b>   | <b>House</b>  | <b>Comments</b>   |
|----------------------------|--|---|---|---|
| <b>Easement provisions</b> | To extent possible, encourage easements. | May enter into easement agreements of 30 or more years, and shall encourage permanent easements.<br><br>Easement payments shall not exceed fair market value.   | Easements provided for under Easement Program in Wetland and Environmental Protection Program.  |   |
| <b>Other</b>               |  | 3-year ownership requirement waived if family farmer buys land from lending institution.<br><br>Discretionary "bid-back" program to remove least highly erodible land, at no net cost, and reduced erosion.<br><br>USDA required to study expiring contracts, make recommendations. | Exempts from sequester.<br><br>Sec. may permit fall and winter grazing on land that is incidental to gleaning of crops for applicable reduction in payments.<br><br>Adds water cover for wildlife as approved cover.<br><br>Cost share from all sources may not exceed 100 percent of cost. | Senate: Sec. may extend contracts or purchase easements if the study indicates desirability.<br><br>House: Annual rental payments shall be based on comparable local rental rates, and shall not exceed prevailing local rental rate for comparable land. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                 | Administration  | Senate  | House   | Comments   |
|---------------------------------|---|---|---|--|
| <b>WETLAND RESERVE PROGRAM</b>  |   |   |   |  |
| Name of program                 | Wetland Reserve.  | Wetland Reserve.  | National Agricultural Wetland Reserve, part of Wetland and Environmental Easement Program.  |  |
| Enrollment goal; easement terms | At least 10 percent of new reserve lands (0.6 million acres) under permanent easement as part of CRP. | A minimum of 1 million acres under permanent or long term easements (as part of CSP's 40-50 million acre goal). | Shall seek to enroll up to 2.5 million acres under perpetual easements (in program separate from CRP), during 1991-1995 fiscal years.   | House: Easements are perpetual or for the maximum term allowed under State law (would allow States to legislate short-term easements). |
| Restoration plan                |   | Developed by SCS with concurrence with FWS.   | Developed by SCS in consultation with FWS.  |  |
| Enrollment limits               |   | No more than 25 percent of county cropland in CSP, ECARP, WRP, with same exemptions as CSP.                     | Up to 10% of a county's cropland.<br>No more than 25% in CRP or under easements, unless local economy not adversely affected and producers having difficulty complying with conservation plans.                             |  |
| Economic use                    | Provides for economic use.  | Crop production, timber harvesting, haying, grazing and other uses allowed if specified in plan.                | Agricultural commodity production only for wildlife benefit.<br><br>"Customary" forestry practices cannot be prohibited in areas landowner specifies for timber harvest; other commercial use allowed if specified in plan. |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>                           | <b>Senate</b>   | <b>House</b>   | <b>Comments</b>   |
|---|---|---|--|---|
| <b>Eligible lands</b>                       | Existing cropped wetlands, restorable wetlands. | Existing cropped wetlands, restorable wetlands, other non-cropped wetlands on farm, if functional value enhanced.<br><br>Sec. consults with SCS, FWS. | Current CRP, farmed wetlands, restorable wetlands, adjacent cropland, Water Bank land, riparian corridors and critical wildlife habitat, and other environmentally sensitive areas where continued production would prevent compliance with environmental goals. | House: Current CRP not eligible if likely to remain out of production, or if no off-farm environmental threat; CRP timber stands or CRP pasture planted to trees not eligible.<br><br>House: Land which has changed ownership in past year, if purchased for enrollment, not eligible.<br><br>Under both versions, only wetland converted prior to Dec. 23, 1985 would be eligible. |
| <b>Acceptability of contracts, priority</b> |   | Consider wetland value, likelihood of restoration success, cost of restoration.   | In consultation with FWS, base priority on value for protecting wetlands and enhancing wildlife habitat.   | House: May consider extent that wetland value would be restored, productivity of land, environmental threat if production continues.  |
| <b>Payment amounts</b>                      | Amount not to exceed property value.            | Not to exceed fair market value of the land.<br><br>Amount may be determined by bid.  | Payments may not exceed the value of the land without an easement, and may not exceed \$250,000 total or \$50,000 a year.  | House: May consider the amount necessary to encourage producers to participate.   |
| <b>Payment terms</b>                        | 10 annual payments or one up front payment.     | Annual payments over 5 to 20 years, equal or unequal size.  | Annual payments over 1 to 10 years.  |   |
| <b>Cost share for restoration, etc.</b>     |   | 50 to 75 percent if a 30 year easement, no more than 100 percent if a permanent easement.   | Up to 100 percent cost share.  |   |
| <b>Other</b>                                |   |   | Base permanently retired.<br><br>Exempt from sequester.  | Both versions require agreement to be recorded on deed.   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                          | Administration   | Senate   | House   | Comments   |
|--------------------------|--|--|---|--|
|                          | <b>WATER QUALITY PROGRAM</b>   |  |   |  |
| Name of program          | Water Quality Initiative, consisting of Hydrologic Unit, Regional, Demonstration projects. | Agricultural Water Quality Incentives Program.   | Agricultural Water Quality Protection Program.  |  |
| Enrollment goal          | No acreage goals.  | Must enroll sufficient land to achieve water quality improvement.  | At least 20 million acres, during 1991-1995 crop years.   | USDA projects 10 million acre enrollment under Senate proposal.<br><br>Both versions: Farmers would voluntarily implement water quality plans in return for incentive payments, etc. |
| Incentive to participate | Cost share, technical assistance, information.   | Incentive payments, cost share, technical assistance, information.   | Incentive payments, cost share, technical assistance, information, education, training.<br><br>Base and payment yield protected during agreement period.  | House: Makes production practices that protect wetland or wildlife habitat eligible for 50-percent cost share if producer has water quality plan.                                    |
| Eligible lands           | Problem areas identified at regional and state level.                                      | Lands where agricultural production could contribute to potential degradation of water quality, including public wellhead, sinkhole, and critical cropland areas identified in State Sec. 319 plans. | Impaired watersheds identified in State Sec. 319 plans, wellhead protection areas identified under Safe Water Act, other areas recommended by States, and, other areas as recommended by EPA, DOI, in consultation with USDA. | Senate: Lands where threatened or endangered species habitat is significantly threatened by agricultural nonpoint sources.   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>                            | <b>Senate</b>   | <b>House</b>  | <b>Comments</b>   |
|---|--|---|---|---|
| <b>Payment and contract terms</b>                   | Agricultural Conservation Program agreements.    | <p>Incentive payments made over 3 to 5 year period, or in lump sum.</p> <p>Contracts not less than 5 years.</p> <p>Payments shall consider amount necessary to encourage participation, cost and effort involved in implementing plans.</p> | <p>Incentive payments made over 1 to 5 year period.</p> <p>Agreements of up to 5 years.</p> <p>Payments shall consider amount necessary to encourage participation, additional costs incurred by producers, and production values foregone.</p> | Both versions prohibit making payments if payments from other Federal program is made for the same practice.  |
| <b>Payment limits</b>                               | Cost share payments limited to \$3,500 per year. | Incentive payments, on a per acre basis, limited to \$3,500 per year.   | Same as Senate, except that wetland and wildlife habitat protection cost-share limited to \$1,500 per year.   |   |
| <b>Selection of contracts, agreements; priority</b> |  | <p>Shall consider degree of reduction in contamination potential, and give priority to areas identified by States in consultation with EPA.</p> <p>Shall give priority to offers that provide for greatest benefits</p>                     | <p>Priority to lands where agricultural production contributes or creates the potential for failure to meet applicable water quality standards or goals.</p>  | <p>Senate version requires emphasis on practices that enhance farm profitability and productivity through reducing waste and inefficiency.</p> <p>House version indicates that plans should include specific practices that ensure continued farm productivity and profitability by promoting efficient use of inputs, and should include practices for safe storage, mixing, and loading of inputs, and handling of animal wastes.</p> |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>  | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>  |
|---|--|--|--|--|
| Model farm, demonstration, pilot projects | As contained in Water Quality Initiative, priority where there is high potential for contamination of groundwater, and where degradation could have immediate adverse impacts on people. | To extent practicable, encourage participation in demonstration and model farm projects sponsored by governmental or private non-profit entities.<br><br>May establish pilot projects. |  |  |
| Evaluations                               | USDA monitors and evaluates projects.  | USDA collects and maintains national database.   | USDA provides interim and final report to Congress on efforts.                                   |  |
| Other                                     |  |  | Consults with EPA, DOI, and relevant State agencies in developing field office technical guides. | House: Sec. shall notify producers that plans are available to the public, upon request. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | Administration | Senate  | House  | Comments                            |
|---|----------------|---|--|-------------------------------------|
| <b>INTEGRATED CROP MANAGEMENT PROGRAM</b>       |                |   |  |                                     |
| Definition of resource-conserving crops         |                | Legumes, and legume-grass, legume-small grain, and legume-grass-small grain mixtures. | Same plus alternative crops which are experimental and industrial crops grown in arid and semi-arid regions which conserve soil and water. |                                     |
| Definition of resource-conserving crop rotation |                | Includes a resource-conserving crop, reduces erosion, and improves input efficiency.  | Includes a resource-conserving crop, reduces erosion, aids soil fertility, interrupts pest cycles, conserves water.                        |                                     |
| Definition of farming operations and practices  |                |   | Includes rotation practice, tillage systems, livestock production systems, health and safety considerations, etc.                          |                                     |
| Program establishment                           |                | Shall be established by the Sec. (participation voluntary).                           | Same as Senate.  | Annual progress report to Congress. |
| Eligibility                                     |                | Producers must submit plan and comply with terms.                                     | Same plus producer must keep records as required.  |                                     |
| Contract term                                   |                | 5-year contract.  | At least 3 years, but may be up to 10 years at producer's option.  |                                     |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                  | <b>Administration</b> | <b>Senate</b>  | <b>House</b>  | <b>Comments</b>  |
|----------------------------------|-----------------------|--|---|--|
| <b>Plan</b>                      |                       | Describes operations and practices to be implemented, and how they could be expected to result in reductions in purchased inputs, pollution, etc.                | Describes operations and practices to be implemented, and how they could be expected to enhance productivity and profitability, protect water supplies.   | Sec. shall provide technical assistance, allow modifications to plans. |
| <b>Enrollment goal and limit</b> |                       | To extent practicable, 3-5 million cropland acres annually during 1991-1995.   | To extent practicable, Sec. shall not enroll acreage if cropland removed from production plus CRP and 0/92 and 50/92 would exceed 25 percent of county cropland.<br><br>Any enrollment in the Program that results in an average decrease of harvested acres on a farm of greater than 25 percent over the life of the plan shall be applied toward the CRP county limit. | No enrollment goal in House version.                                   |
| <b>Economic effects</b>          |                       | Secretary may limit amount of hay that can be harvested or grazed if the Program will have a significant impact on hay or livestock prices in a particular area. | Program implementation to minimize adverse economic effect on agriculturally related interests.<br><br>May restrict amount of acreage removed from production.  |  |
| <b>Tenants and lessees</b>       |                       |  | Plans that result in involuntary displacement of tenants or lessees shall not be approved.  |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b>   | <b>Senate</b>   | <b>House</b>  | <b>Comments</b>  |
|---|---|---|---|--|
| <b>Base and payment protection</b>      | <p>Protect crop base of producers who plant legumes, grasses, or conserving crops as part of a sustainable agricultural rotation.</p> <p>Deficiency payments for base acres planted to soil-building crop if not harvested.</p> <p>Allow planting of any combination of program crops and oilseeds on permitted acres and receive deficiency payments on pre-1990 Farm Bill cropping history.</p> | <p>Crop acreage bases and farm program payments shall not be reduced due to planting a resource-conserving crop as part of a resource-conserving rotation.</p> <p>No payments on such acreage that is hayed or grazed.</p> <p>Payments not affected if a resource-conserving small grain crop is harvested in kernel form and the residue is grazed after the 5-month period during which haying and grazing of conserving use acreage are not permitted.</p> | <p>Crop acreage bases, farm program payment yields, or farm program payments shall not be reduced due to planting a resource-conserving crop as part of a resource-conserving rotation.</p> <p>No payments if the acreage is hayed or grazed during the 5-month period during which haying and grazing are not allowed on conserving use acreage, or before the producer harvests a small grain crop in kernel form, whichever is sooner.</p> <p>Producers may plant base acres to another program crop and maintain base acreage, but will not be eligible for payments unless the planted crop is part of a resource-conserving crop.</p> | <p>Detailed description of Senate, House, and Administration flexibility proposals are contained in Part I of this document.</p> |
| <b>Cross-compliance exemption</b>       |   | <p>Requirements of other acreage reduction programs shall be waived if necessary for the plan.</p>  |   |  |
| <b>Existing crop rotation practices</b> |   |   | <p>Adjustments shall be made to crop payment base to reflect resource-conserving crop rotation practices that were maintained prior to the Program.</p>   |  |



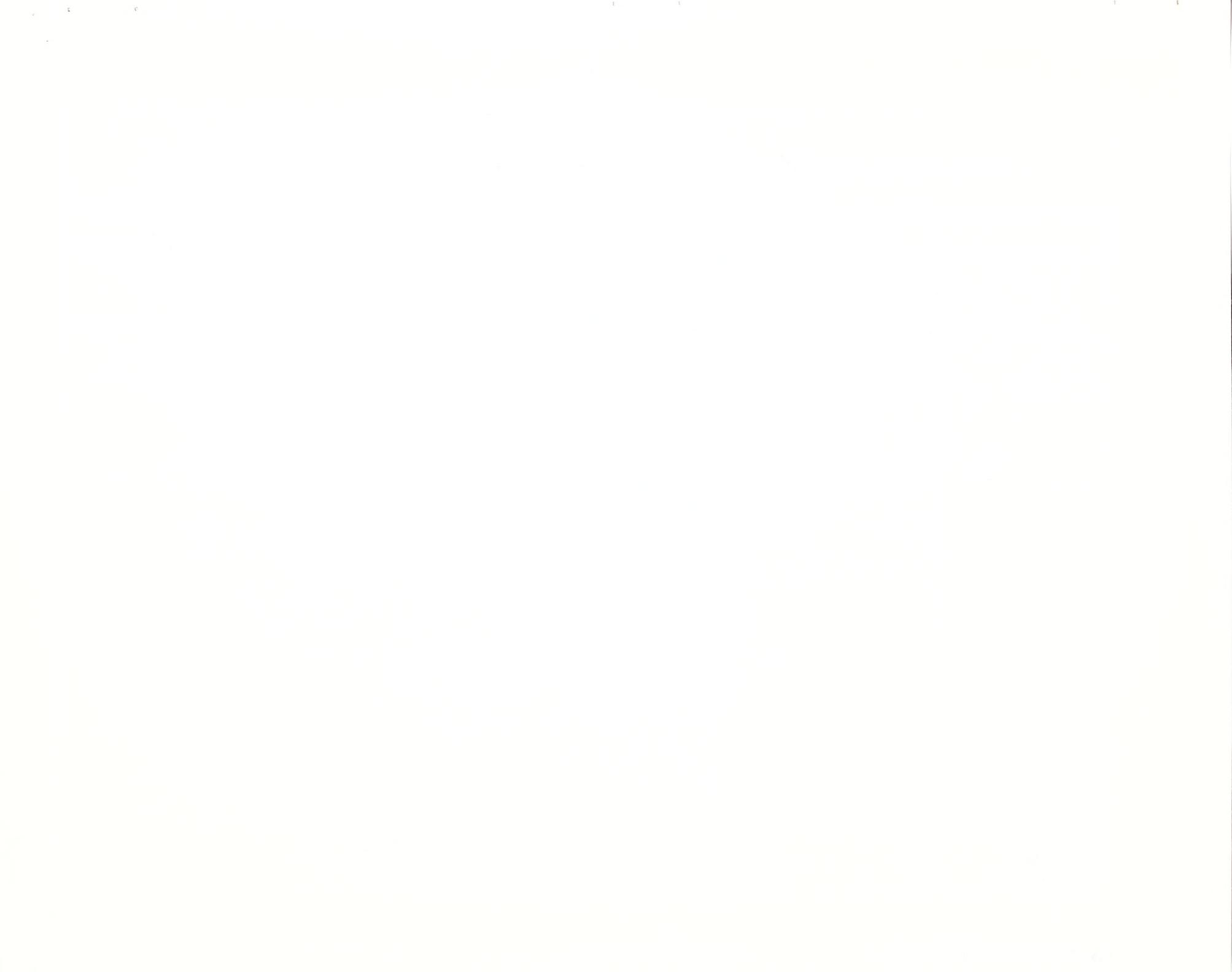
## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b> | <b>Senate</b>   | <b>House</b>  | <b>Comments</b> |
|---|-----------------------|---|---|-----------------|
| Adjustments in production adjustment requirements |                       | <p>Adjustments in acreage reduction requirements shall be made to take into account crop rotation, conservation practices, and other appropriate factors.</p> <p>Acreage reduction requirement shall be waived or reduced if the reduction in program crop production and total crop production will equal or exceed the reduction that would occur due to acreage reduction requirements in the absence of this Program.</p> | <p>Adjustments to acreage limitation or set-aside requirements shall be made to take into account crop rotation, conservation practices, and other appropriate factors.</p> <p>Requirements shall be waived or reduced if the reduction in program crop production and total crop production will equal or exceed the reduction that would occur due to acreage limitation or set-aside requirements in the absence of the program.</p> |                 |
| Payment acreage limitation                        |                       |   | <p>Payments under wheat, feed grains, rice or cotton programs shall not be received on traditionally under-planted acreage (defined as the 3-crop average, prior to enactment, of the crop base not planted to the program crop minus the crop base required to be idled.)</p> <p>For participants under the 0/92 and 50/92 provisions, traditionally under-planted acreage is 8 percent of their permitted planting acreage.</p>       |                 |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Current Law   | Senate  | House  | Comments   |
|--|---|---|--|--|
| <b>SWAMPBUSTER PROVISIONS</b>  |   |   |  |  |
| <b>Actions that result in sanctions</b>  | Production of an agricultural commodity on a converted wetland.   | Production of an agricultural commodity on a converted wetland, or conversion of a wetland for, or to make possible, production of an agricultural commodity.   | Same as Senate.  | Proposals would not deny benefits to non-converting producers who grow non-agricultural commodities on converted wetland.  |
| <b>Exemption for minimal effect, mitigation</b>  | Exemption may be granted, in consultation with FWS, if actions have minimal effect on hydrological and biological value.<br><br>Mitigation is not specified in current law. | Exemption may be granted if actions have minimal effect on functional hydrological and biological value; or if land has been frequently cropped and action is mitigated through restoration of prior converted wetland. | Same as Senate, except that agreements on restored wetlands not on property of the producer must be recorded on deed, and unpaid easements must be provided on wetlands used for mitigation. | Both: Wetlands converted after Dec. 23, 1985 may not be used for mitigation.<br><br>Both: Use of wetlands in easement program may not be used for mitigation purposes.<br><br>Both: Require mitigated wetlands to be in general area of watershed, to be on 1-for-1 acreage basis unless more acreage is needed. |
| <b>Determination of minimal effect, mitigation exemption; acceptability of restoration plans</b> | SCS consults with FWS.  | Local SCS and FWS concur. If no agreement, State SCS consults with State FWS and decides.<br><br>State SCS and FWS must report all local disagreements to respective Washington offices.                                | Same as Senate, except USDA shall establish guidelines for mitigation and restoration plans in consultation with FWS.  |  |
| <b>Created wetland exemption</b>   |   |   | Exempts converters of artificial lakes, ponds, created wetlands, created wet areas.  |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                   | Current Law   | Senate  | House  | Comments  |
|-----------------------------------|---|---|--|---|
| Additional requirements           |   |   | <p>Wetland maps must be certified, reviewed, made public, and updated periodically.</p> <p>Field inspections required prior to decisions on delineation appeals.</p> <p>No person shall be adversely affected if review changes determination, or unrelated entity causes land to be redefined as wetland.</p> | <p>House: Annual report to Congress on appeals, identifying those pending over 120 days.</p> <p>Both versions require that success of restoration efforts be monitored.</p> |
| Penalty for violation             | All benefits denied.  | <p>May violate without full penalty once in 10 years, if wetland restored, and conversion occurred in good faith.</p> <p>Fine of \$750 to \$10,000.</p> | Same as Senate, except that on-site inspections required prior to withholding any benefits.  | Size of penalty depends on seriousness of violation.  |
| Program ineligibility             | Violators ineligible for commodity program payments, farm storage facility loans, crop insurance, disaster payments, certain loans, and storage payments. |   | Adds Disaster Assistance Act of 1989, ACP, ECP, CRP, Wetland and Environmental Easement Program, Natural Resources Loan Program, Wetland Protection and Flood Prevention Act, to list.   |   |
| Duration of program ineligibility | Ineligible only in years that converted wetland is planted.   | Ineligible until converted wetland is restored or mitigated.  | Same as Senate.  |   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | Senate  | House   | Comments   |
|--|---|---|---|--|
| <b>CONSERVATION COMPLIANCE PROVISIONS</b>        |   |   |   |  |
| Graduated,<br>reduced<br>penalty                 |   |   | Reduced penalty if action<br>is minor or inadvertent,<br>and good faith effort to<br>comply occurred, and<br>compliance to occur as<br>soon as practicable. | Annually report to Congress on<br>such determinations.   |
| ACR and CU                                       | Explicitly include HEL<br>idled under annual<br>commodity programs. | Same as Administration.   | Same as Administration.   |  |
| Conservation<br>plans on<br>expired CRP<br>lands |   | Producers have 2 years to<br>implement plans after CRP<br>contract expires if<br>structures required.<br><br>Erosion on lands under<br>new contracts would be<br>required to be reduced to<br>"T", if feasible. | Producers have 2 years to<br>implement plans after CRP<br>contract expires, or<br>longer if needed to<br>install required<br>structures.                    | House: If current plan does not<br>cover CRP lands after contract<br>expiration, erosion would have to<br>be reduced 50 percent, if<br>feasible. |
| Tenant<br>ineligibility<br>exemption             |   | Penalty limited to other<br>non-complying farms if<br>landlord refuses to<br>comply, tenant made good<br>faith effort, and not<br>scheme or device.   | Same as Senate, except<br>that landlord or other<br>tenant may have refused<br>to comply.   | Both Senate and House require<br>annual report to Congress on<br>exceptions granted.   |
| New, revised<br>plans                            |   | All cost effective<br>conservation measures<br>must be made known to<br>producers obtaining or<br>revising plans.   | New or revised plans must<br>achieve 50-percent<br>reduction in erosion, if<br>feasible.  | Senate: USDA to collect data on<br>impacts of conservation plans.  |
| Appeals  |   |   | Annual report to Congress<br>on appeals, indicating<br>those pending over 120<br>days.  |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                       | <b>Administration</b>   | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>  |
|---------------------------------------|---|--|--|--|
| Programs, benefits forfeited          |   |  | Adds to list, same programs as in swampbuster section.   | Senate: No penalty if non-commercial use of 2 acres or less.           |
| <b>MULTI-YEAR SET ASIDE</b>           |   |  |  |  |
| Cover on set-aside land               | Must plant annual or perennial on 50-percent of land removed from production under annual commodity programs, not to exceed 5-percent of base acreage for the crop. | Same as Administration.  | Makes MYSA in 1985 Farm Bill mandatory, but leaves it a voluntary program for producers.<br><br>Sec. shall provide cost share if producer agrees to plant 50 percent of set aside to perennial or annual crop. | House: Seasonal flooding with shallow water shall be acceptable cover. |
| Cost share                            | 50-percent of approved cost for perennials; payment on up to 50-percent of set aside, not to exceed 5-percent of crop's base acreage.                               | Same as Administration, except that producer must agree to maintain cost shared perennial cover for 3 years. | Cost share provided whenever multi-year contract entered.  |  |
| <b>NATURAL RESOURCES LOAN PROGRAM</b> |   |  |  |  |
| Purpose                               |   |  | To encourage alleviation of natural resource problems.   | Mandatory program.   |
| Eligibility                           |   |  | Determined by State and County Committees in consultation with SCS, Conservation District, FWS; or for implementing water quality protection plans.  |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b> | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>   |
|---|-----------------------|--|--|---|
| <b>Terms</b>  |                       |  | May not exceed 10 years.   | Interest rate based on rate charged CCC by U.S. Treasury on date loans made.                        |
| <b>Payment limitations</b>                          |                       |  | Amount limited to \$100 million per year.<br><br>Amount per producer limited to \$50,000.<br><br>Loans larger than \$25,000 must be secured. |   |
| <b>RECORD KEEPING FOR RESTRICTED USE PESTICIDES</b> |                       |  |  |   |
| <b>Required records</b>                             |                       | In consultation with EPA, Sec. must ensure that certified applicators maintain records.  |  | Sec. must notify EPA if records not maintained for 2 years.   |
| <b>Penalty</b>                                      |                       | Loss of certification.   |  |   |
| <b>Access to records</b>                            |                       | Available to any Federal or State agency that deals with pesticide, health, environmental issues.<br><br>Records shall not be disclosed except to employees of the agencies. |  | Producers shall make records available to medical personnel to provide emergency medical treatment. |
| <b>Database</b>                                     |                       | Sec., in consultation with EPA, shall develop and maintain database on pesticide use, and provide periodic reports.  |  |   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration | Senate  | House   | Comments  |
|--|----------------|---|---|---|
| <b>MISCELLANEOUS CONSERVATION PROVISIONS</b> |                |   |   |   |
| <b>Cost Share for Soil Enhancement</b>       |                |   | <p>Amends Soil Conservation and Domestic Allotment Act (ACP) to include measures that enhance soil fertility and physical characteristics of soil.</p> <p>Authorizes 50-percent cost share for establishing short term (1 or 2 years) stands of legumes and legume-grass mixtures in resource-conserving crop rotation.</p> | <p>Farm program payments may not be made on these lands.</p> <p>Land does not have to be eroding above "T".</p>   |
| <b>Soil and Water Loans</b>                  |                |   | <p>Sec. may provide loans for soil and water conservation.</p> <p>Loans may be used for installation of conservation structures, forest cover, or permanent pasture, or conversion to or maintenance of sustainable agricultural systems.</p>   | <p>Maximum loan: \$50,000, or value of farm or other security.</p> <p>Priority for installation of conservation structures needed for conservation compliance plans.</p> <p>Loans made or insured under Subtitle A of Title III of the Agricultural Credit Act of 1961.</p> |
| <b>Conservation Measures on Set Aside</b>    |                | <p>Sec. may cost share wildlife food plots, soil and water conservation measures.</p> | Same as Senate.   | Separate from ACP?  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|   | <b>Administration</b> | <b>Senate</b>  | <b>House</b>    | <b>Comments</b>  |
|---|-----------------------|--|-----------------|--|
| <b>Public Access to Set Aside, and Other Farmlands</b>      |                       | Sec. may provide incentive payments if producer allows public hunting or other recreational uses of farmland.  | Same as Senate. |  |
| <b>Weed and Pest Control on CRP and other Federal Lands</b> |                       | <p>Sec. shall provide weed and pest control guides to CRP participants.</p> <p>Owners subject to reduced payments if weeds not effectively controlled.</p> <p>ASCS, or other entity, must conduct review before payments can be reduced.</p> |                 | House version contains amendment to Noxious Weed Act that requires each federal agency to designate an office or person to develop and coordinate an undesirable plant management program for Federal lands under the agency's jurisdiction. |
| <b>Consolidated Farm and Rural Development Act</b>          |                       | Amends to prohibit FmHA from making, insuring, or guaranteeing loans for manipulating wetland, or for reducing the flow, circulation, or reach of water, unless activity is for maintenance or was commenced.                                |                 | Codifies current regulations.  |
| <b>Assistance for Compliance with Environmental Laws</b>    |                       | Sec. shall, on request of producers provide technical assistance, and prepare on-farm plan.  |                 |  |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration | Senate   | House                           | Comments  |
|--|----------------|--|---------------------------------|---|
| <b>Outreach to Socially Disadvantaged Farmers</b>    |                | <p>Sec. shall provide outreach and technical assistance to encourage and assist participation.</p> <p>May provide grants to colleges.</p>  |                                 | Report shall be on a State-by-State and county-by-county basis.     |
|  |                | Shall report to Congress on minority participation in all conservation programs.   |                                 |   |
| <b>Farmland Protection Policy Act</b>                |                | To identify quantity of farmland actually converted by Federal programs.   |                                 |   |
| <b>Farms for the Future Act</b>                      |                | <p>Sec. shall, through FmHA, provide guarantees and interest rate subsidies for loans made by lending institutions to State trust funds.</p> <p>Guarantee limited to \$10 million per eligible State per year.</p> |                                 | Sec. shall report annually concerning operation of program.         |
| <b>Watershed Protection and Flood Prevention Act</b> |                | <p>Sec. may provide cost share to enable project sponsors to acquire easements.</p> <p>Project sponsors must provide 50 percent of easement cost.</p>  | Adds water quality enhancement. | Senate: Sec. shall collect and maintain data on costs and benefits. |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|  | Administration  | Senate  | House   | Comments  |
|--|---|---|---|---|
| <b>Office of Environmental Quality</b>       |   |   | Director and staff, appointed by Sec., shall assist in coordination, development of policy statement, implementation of plan.   | Sec. shall request EPA, DOI, to provide liaisons, on reimbursable basis.<br><br>Responsible for preparing annual environmental quality report.  |
|  |   |   | Committee on Environmental Quality shall include the Director, heads of SCS, ASCS, APHIS, ARS, CSRS, ERS, ES, FS, FmHA, NASS.   |   |
| <b>State Technical Committees</b>            |   |   | Shall be established to assist Sec. in technical considerations for implementing conservation provisions.<br><br>Composed of professional resource managers.<br><br>Shall meet regularly to provide information, analysis, recommendations. | Prepares technical guides for implementation of Wetland and Wildlife Habitat Option of the Agricultural Water Quality Protection Program.<br><br>No implementation or enforcement authority, however Sec. shall give strong consideration to committee recommendations. |
| <b>Resource Conservation and Development</b> |   |   | Increases limit on eligible areas from 225 to 450.  |   |
| <b>Great Plains Conservation Program</b>     | Extends to 2001 and increases authorization to \$0.9 billion. | Extends to 2001 and increases authorization to \$1.2 billion.<br><br>Calls for substitution of more intensive management practices for structural measures. | Same as Administration.   | Senate: Sec. shall collect and maintain data concerning consequences of assistance.   |



## COMPARISON OF PROPOSALS FOR THE 1990 FARM BILL--AS OF JULY 6, 1990

|                                  | <b>Administration</b> | <b>Senate</b>  | <b>House</b>   | <b>Comments</b>  |
|----------------------------------|-----------------------|--|--|--|
| <b>Soil and Water Activities</b> |                       |  | Sec. shall review conservation compliance plans for impacts on water quality, and determine whether NRI can be used for water quality assessment purposes. | Sec. shall provide annual report on SCS activities, plans, progress. |
| <b>Compost Use</b>               |                       | Sec. shall conduct study of compost use, and assemble catalog of laws, rules, programs that establish standards for compost quality. |  |  |

